

<b>Subject:</b>	Financial Monitoring Report Q1 2022/23	<b>Status:</b>	For Publication	
<b>Report to:</b>	Cabinet	<b>Date:</b>	7 <sup>th</sup> September 2022	
<b>Report of:</b>	Chief Finance Officer	<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:	No	Attached:	No
<b>Biodiversity Impact Assessment:</b>	Required:	No	Attached:	No
<b>Contact Officer:</b>	Karen Spencer	<b>Telephone:</b>	01706 252409	
<b>Email:</b>	karens pencer@rossendalebc.gov.uk			

## 1. RECOMMENDATION

1.1 That Cabinet note the contents of the Q1 2022/23 financial monitoring report.

## 2. EXECUTIVE SUMMARY

- This report provides an estimate of the Council's General Fund 2022/23 Revenue outturn, Collection Fund performance and Capital outturn for the year ended 31 March 2023, based on performance at Q1 2022/23.
- The Council is seeing an increasing financial pressure driven by the rapidly rising levels of inflation.
- The current economic climate is having a significant impact on the Council's financial performance. The full year impact is predicted to result in an adverse variance of £1,063.8k on the General Fund when compared to the original budget of £8,991k.

## 3. BACKGROUND

3.2 The 2022/23 MTFS set a balanced Budget for the year based on the assumptions made at that time. The current rise in inflation rates, high vehicle fuel costs and increasing utility costs are making it impossible to achieve the original budget forecast.

3.2 It is still early in the financial year and work will continue over the coming months to monitor and forecast the costs and any savings associated with the current economic issues and any other emerging budget pressures.

## 4. DETAILS

### REVENUE

4.1 This first monitoring report of the year 2022/23 is forecasting an adverse variance of £1,063.8k when compared to an original budget of £8,991k. It is proposed that this adverse variance will be met from the transitional reserve.

4.2 The most notable variances at are:

- Staff cost savings are estimated to be £137.7k to the year-end position, this is £87.7k short of the vacancy savings target of £225k. However the estimates currently assume a 2.5% pay award, the actual pay award has not yet been finalised. The unions are due to vote on the employers offer in September.

- Significant increases to fuel ‘pump prices’ continue to impact the Council, and in particular the cost of its Operational fleet vehicles (Refuse Collection, Parks). Economic commentary (page 28) acknowledges historically high fuel prices with the indicative outturn recording an adverse variance of £163k for vehicle fuel.
- An adverse outturn variance of c£77.7k is predicted in relation to income from commercial property rents, and £13.6k from market rents. These shortfalls are being attributed to the current economic climate.
- The £118.4k adverse variance within Finance includes an unbudgeted £55k charge from the External Auditors for additional works required when auditing the 2016/17 and 2017/18 Statement of Accounts. Also the Council has incurred additional bank charges of c£40k due to the increase in volume of individuals using the Council’s electronic payment system. The remainder is due to costs for the interim cover of vacant posts within the finance team.
- In 2022/23 the Council has a total budget for Empty Homes related expenditure in the sum of £800k. This budget is split £300k (Revenue funding) and £500k (Capital funding.) At Q1 the predicted outturn is an adverse variance on the revenue account of £600k. This is largely due to recognition of the additional revenue resources required to support the ongoing legal work of the Council and defence of the Empty Homes claim. This includes provision for future Barrister costs and administrative work of the Project Officer. The Council is also liable for council tax costs where properties within the scheme are without tenants. It is anticipated that the capital costs will be c£200k which is £300k below budget.

4.3 Full details and explanations are included in Appendix 1.

### **CAPITAL**

4.4 The useable Capital Receipts brought forward at 1st April 2022 totalled £2,975k. However the impact of the significant amendments to the 2017/18 audited accounts regarding capital receipts is still to be fully integrated into current year figures. This is currently being reviewed.

4.5 The value of the budgeted capital scheme expenditure for 2022/23 was £5,082k to which £3,802k slippage was added. An additional £45k has been allocated for the Marl Pits Running Track, and an additional £160k for DFGs. The estimated in year expenditure is now £9,089k with an indicative outturn of £6,648k.

4.6 Anticipated slippage into 2023/24 is estimated at £2,441k.

### **TREASURY**

4.7 The council’s bank resources continue to be higher than normal due to the level of Covid related Government grants held over from 2021/22, including significant sums not yet returned to Government as part of the agreed reconciliation conditions. The uncertainty around income, the timing of repayment to Government of unspent grant, and depressed interest rate levels on offer from approved counterparties despite recent increases in Bank Rate, has led to the Council revising its investment strategy to balance instant access accounts with shorter term ‘fixed’ deposit facilities, to increase investment return within the scope of the approved Treasury Management Strategy.

4.8 Details are included in Appendix 1.

## **COLLECTION FUND**

4.9 Council Tax collection statistics have not yet returned to pre-pandemic levels. Whilst Business Rates collection performance appears to have returned to pre-pandemic levels, the reliefs awarded are masking the true position. Early indications are that the Council Tax collection fund will return a surplus whilst the Business rates fund will see a deficit

4.10 Details are included in Appendix 1.

## **EARMARKED RESERVES**

4.11 The total cash-backed earmarked reserves brought forward at 1st April 2022 were £14,128k. The Earmarked Reserves closing balance at the 31 March 2023 are estimated to be £7,683k. However based on current plans and forecast commitments at the time of this report, earmarked reserves are anticipated to reduce to £4,390.2k over the life of the MTFS by March 2026.

## **5. RISK**

All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- The cost of the 2022/23 pay award is anticipated to exceed the 2.5% included with in the budget. The unions are due to vote on the employers offer in September.
- Goods and services are becoming more expensive to buy. General inflationary increases are being experienced across all contracts that are linked directly to RPI and CPI. Vehicle fuel and utility costs have increased significantly since the budget was set in February 2022. Rising inflation and interest rates are also impacting on the capital programme. On average vehicle replacement costs are running c20% over and above the estimates included in the capital programme. Rising inflation is also having an impact on the construction industry - pushing up costs, increasing tender prices.
- Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues (eg inflationary pressures and rising living costs) and opportunities 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 2023/24 budgets.
- The council must explore ways of bridging its forecast annual funding gap. Amongst other things this may include becoming more commercially aware, aiming to grow its resources alongside the challenges to its cost base.
- If the level of Council Tax support claims increase as a result of the current economic climate or the level of Council Tax bad debt increases, this will have an adverse impact on the income the Council receives.
- The planned financial reform and Fair Funding review will not be implemented from 2023/24, as it is only due to have initial consultation towards the end of the year. Therefore Government funding beyond 2022/23 is not known. This continued uncertainty makes it impossible to prepare any accurate future financial plans.

## 6. CONCLUSIONS

- 6.1 Robust monitoring of the General Fund and MTFS is essential to control risks expressed in section 5 above and the Council continues to undertake this.
- 6.2 Despite a continued cost reduction programme, the on-going challenge remains for the Council to continue its savings agenda in order to help realise its medium term saving and targets. Members, collectively, continue to face difficult choices in order to balance expenditure with available resources over the medium term. The Council must remain focused on delivering further efficiencies. However, the increase in energy costs, vehicle fuel costs, the rising inflation rate which is affecting contract costs and the impending pay award, which is expected to be above the estimate included within the MTFS, is making this more difficult.
- 6.3 The Final Local Government Finance settlement was announced on 7 February 2022 and is a single year settlement for 2022/23 only. The settlement included the continuation of the Lower Tier Services grant and New Homes Bonus in to 2022/23 and the introduction of a new one off Service grant for 2022/23. Over the coming months the Department for Levelling Up, Housing and Communities is carrying out a review of council funding to ensure funding allocations for councils are based on an up-to-date assessment of their needs and resources, this will not be implemented for 2023/24. It is not yet known what impact the review will have on the Council's funding levels, however this poses a significant risk to the MTFS. The Government has stated that the financial settlement due be announced in the Autumn of 2023 will be a two year settlement for 2023/24 and 2024/25.

## 7. FINANCE

The financial implications are fully set out in Appendix 1.

## 8. LEGAL

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

## 9. POLICY AND EQUALITIES IMPLICATIONS

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

## 10. REASON FOR DECISION

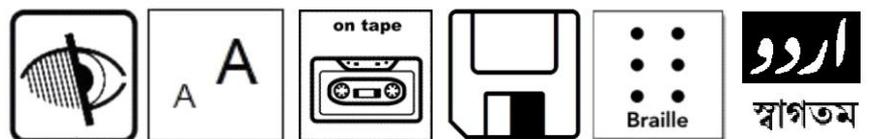
Cabinet are recommended to note the Q1 monitoring report.

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
Service monitoring statements.	Financial Services.
2022/23 Corporate Priorities, Budget, Council Tax and The Medium Term Financial Strategy.	RBC website - Full Council 23/02/2022

# Financial Monitoring Report

**2022/23 as at end of June 2022**

*Including a Glossary of terms on page 43*



## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### General Fund Revenue Operations – pages 6 to 21

The current economic climate is having a significant impact on the Council's financial performance in Q1. The full year impact is predicted to result in an adverse variance of £1,063.8k on the General Fund when compared to the original budget of £8,991k. The significant budget variations are listed 6.

### Earmarked Revenue Reserves – page 22 to 24

The total cash-backed Earmarked Reserves brought forward at 1<sup>st</sup> April 2022 were £14,127.9k.

The opening balance on the Transitional Reserve was £2,458k, to which £132k of New Homes Bonus grant is to be added. This funding will be released in full as budgeted, to fund 2022/23 Net Service costs. Similarly, the Council has received £98k of Lower Tier Services Grant and £150k Services Grant as part of the 2022/23 Local Government Finance Settlement, and this too will be used to fund Net Service costs.

As reported previously due to the complexities of the Collection Fund accounting regime, the Business Rates Retention Reserve holds a significant sum brought forward (£5,213.8k). This balance includes compensation received in 2020/21 required to fund future years' deficits on the Collection Fund owing to the pandemic, with amounts being released over the subsequent three years to ease the cashflow burden, as agreed by changes to legislation ('spreading the deficit').

The approved budget for 2022/23 also includes transfer to the Business Rates Retention Reserve of Section 31 Grant compensation for eligible reliefs afforded to qualifying business, received in year. This is estimated at £1,460k as per the Council's original submission to Government in January 2022. The Council also intends to contribute its receipt for renewable energy in the sum of £183k. The intention is to transfer Section 31 grant receipts to the Transitional Budgetary Support Reserve at financial year-end, before releasing the £1,063.8k to fund the anticipated general fund deficit.

As at 1 April 2022 £808.7k of unutilised balances of Covid related funding remain in the Response & Recovery reserve to meet the ongoing impact and commitments resulting from the pandemic falling into 2022/23. It must be noted that £445k of this balance is ringfenced for specific items of Covid related expenditure and will be repayable if not spent.

The indicative closing balance of earmarked reserves at the 31<sup>st</sup> March 2022, excluding sums specifically ring-fenced to fund future deficits on the Collection Fund is estimated at £7,683.9k. Based on current plans and forecast commitments at the time of this report, earmarked reserves are anticipated to reduce to £4,390.2k over the life of the MTFS by March 2026.

### Government Grants Unapplied – page 25

The opening value of Government Grants Unapplied at the 1<sup>st</sup> April 2022 was £2,283k, including £2,221k of Disabled Facilities Grant carried forward into 2022/23 which relates to previous years' slippage. The original allocation of Better Care funding for DFGs for 2022/23 is £1,160k, giving total DFG resources available of £3,381k.

### Staff Monitoring – page 26

The table on page 26 shows the forecast staffing variances for the year based on quarter 1 actuals. The forecast for the year is currently £137.7k. This is an £87.7k shortfall on the 2022/23 budget of £225k (£200k vacancy savings and £25k leave purchase), however we are still in the early part of the financial year. It must be noted that current forecasts assume a 2022/23 pay award of 2.5%, the actual is likely to be much higher than this figure, but has not yet been finalised.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	2
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

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

At the end of June, the bank balances were £14.7k. These resources continue to be higher than normal due to the level of Covid related Government grants received and held over from 2020/21, including significant sums not yet returned to Government as part of the agreed reconciliation conditions. Due to the pandemic and despite recent Bank of England base rate increases, banking institutions continue to maintain interest rates at low levels. With the uncertainty around income, the timing of Government to request repayment of unspent grant and depressed interest rate levels on offer from approved counterparties (despite the said recent base rate increases), Council officers have retained funds in lower yielding instant access/liquid accounts. However due to the very low rates available from banking institutions the Council has revised its investment strategy to balance instant access accounts with shorter-term 'fixed' deposit facilities, to increase investment return within the scope of the approved Treasury Management Strategy. Fixed deposits are being made with high quality counterparties (Central Government, Local Authorities) where risk is considered low and returns are more closely linked to movement in the prevailing Bank Rate. Interest income is currently expected to exceed the budget for the year by £5k.

The provision for doubtful debt at the 1st of April 2022 was £380.6k, plus a further £5.4k set aside for licensing debt, against £481k of doubtful debts. The level of cover for sums outstanding and that risk going unpaid is considered adequate at this time (c84% cover) with no further movement proposed. However given the 'Cost of Living Crisis' dominating the headlines, this position will be kept under review.

### Capital Receipts – page 31

The useable Capital Receipts brought forward at 1<sup>st</sup> April 2022 totalled £2,975k. However the impact of the significant amendments to the 2017/18 audited accounts regarding capital receipts is still to be fully integrated into current year figures. This is currently being reviewed.

The total value of Capital Grants receivable in the financial year 2022/23 is £1,983k. As all figures are indicative at this point in the reporting cycle, work continues to determine the most effective method of funding the Council's Capital Programme.

On current assumptions, the Capital Receipts Reserve is expected to total £2,337k at the year end 2022/23, reflecting the most cost effective method of financing the Council's future Capital Programme. Whilst this is considered to be the most cost effective method of financing, it is acknowledged that capital resources remain earmarked to support projects in Whitworth (£100k), and Haslingden (£236k).

### Capital Programme and Funding – page 31 to 37

The original Capital Programme for 2022/23 is £5,082k, including an estimate of £1,000k for DFGs and £977k for replacement operational vehicles. The slippage from 2021/22 was £3,802k, the bulk relating to DFGs. An additional £45k has been allocated for the Marl Pits Running Track, and an additional £160k for DFG. The actual DFG allocation for 2022/23 is £1,160k. The revised capital programme for 2022/23 is £9,089k.

The indicative capital outturn at 31<sup>st</sup> March 2023 is spend in the sum of £6,648k. Slippage (budget carry forward) into 2023/24 is estimated at £2,441k. It is likely that these figures will need to be revised later in the financial year.

### Collection Fund 2021/22 (Council Tax & NNDR) - page 38 to 40

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

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	3
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

The Council Tax account is predicting an early surplus of £183k for Rossendale.

The **business rates** collection fund is predicting a deficit of £496k in 2022/23, the Council's share of the deficit is £198k. This is largely due to two successful business rates appeals. The Council has a Business Rate Retention Reserve to provide for any peaks and troughs in business rate income, therefore this deficit will be charged to the reserve. The reserve also contains funds from Government to cover the additional reliefs granted to business during Covid. Due to the complicated accounting process for business rates these funds will be released from the reserve into the collection fund over the next two years.

Although it is anticipated the Council will suffer a collection fund loss, a pooling gain of 480k is estimated. The February 2022 MTFS included a pooling gain contribution of £390k, therefore if the current forecast remains at year end, it will result in a £90k surplus against that income budget, thus contributing towards alleviating pressure on the MTFS.

### Covid 19 – page 41 to 42

The Council has received various Covid related grants throughout the year and these have been itemised on page 41. Some of these grants are ring-fenced and any underspend will be recovered by the originating body at the end of the scheme. For business grants the Council is acting as an agent for the Government and any balances at the end of the schemes have to be repaid. All original schemes are currently closed, with repayment of net balances to Government to be made good by mid July 2022 (c£2.4m).

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	4
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### General Fund Summary - Period 3 (Quarter 1)

Service Area	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
<b>Communities Directorate</b>					
Customer Services and E-Government	1,333.5	1,373	(39.8)		(39.8)
Operational Functions	1,901.1	2,093	(192.2)		(192.2)
Parks and Cemeteries	662.5	751	32.0		32.0
Public Protection Unit	183.7	178	5.5		5.5
Environmental Health	177.6	176	1.5		1.5
Licensing & Enforcement	73.3	101	(27.6)		(27.6)
Communities Team	132.8	121	(2.7)		(2.7)
<b>Economic Development Directorate</b>					
Planning Services	310.3	290	20.1		20.1
Building Control Services	31.3	7	24.3		24.3
Regeneration	213.6	224	(10.6)		(10.6)
Property Services	306.1	473	(166.6)		(166.6)
Housing	160.0	166	(5.6)		(5.6)
<b>Corporate Management Directorate</b>					
Corporate Management	471.4	456.5	14.9		14.9
Legal Services	180.4	177.1	3.3		3.3
Local Land Charges	(17.7)	(16.4)	(1.3)		(1.3)
Democratic Services	555.0	553.0	1.9		1.9
Financial Services	584.9	703.3	(118.4)		(118.4)
People and Policy	686.2	679.6	6.6		6.6
Non Distributed Costs	132.2	133.4	(1.3)		(1.3)
Capital Financing and Interest	668.6	663.6	5.0		5.0
Leisure Services	(55.1)	(42.3)	(12.8)		(12.8)
Empty Homes Scheme	300.0	900	(600.0)		(600.0)
<b>TOTAL Service Cost</b>	<b>8,991.68</b>	<b>10,161.02</b>	<b>(1,063.8)</b>	-	<b>(1,063.8)</b>
<b>LESS Use of Earmarked Reserves</b>					
Retained Business Rates	(2,180.0)	(2,180.0)	-	-	-
Business Rates Reserve	(390.0)	(390.0)	-	-	-
Lower Tier Services Grant	(98.0)	(98.0)	-	-	-
Services Grant	(150.0)	(150.0)	-	-	-
Transitional Budgetary Reserve	(56.0)	(56.0)	(1,063.8)	-	1,063.8
<b>LESS Use of New Homes Bonus Grant</b>	<b>(132.0)</b>	<b>(132.0)</b>	-	-	-
<b>Net Service Cost</b>	<b>5,985.7</b>	<b>7,155.0</b>	<b>0.0</b>	-	<b>(1,063.8)</b>

The draft outturn position at Q1 2022/23 shows an adverse variance of £1,063.8k. This adverse outturn position will need to be funded from the Transitional reserve.

The main variances are shown in the table below: -

- Staff cost savings are estimated to be £137.7k to the year-end position, this is £87.7k short of the vacancy savings target of £225k. However the estimates currently assume a 2.5% pay award, the actual pay award has not yet been finalised.
- Significant increases to fuel 'pump prices' continue to impact the Council, and in particular the cost of its Operational fleet vehicles (Refuse Collection, Parks). Economic commentary (page 28) acknowledges historically high fuel prices with the indicative outturn recording an adverse variance of £163k for vehicle fuel.
- The adverse variance of £27.6k in Licencing and Enforcement relates to a currently unbudgeted post.

Responsible Section/Team	Financial Services	Page	5
Responsible Author	Finance Manager	Produced	30/06/2022
Dates covered in this review	2022/23 Monitoring	Next review	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

- An adverse outturn variance of c£77.7k is predicted in relation to income from commercial property rents, and £13.6k from market rents. These shortfalls are being attributed to the current economic climate.
- The £118.4k adverse variance within Finance includes an unbudgeted £55k charge from the External Auditors for additional works required when auditing the 2016/17 and 2017/18 Statement of Accounts. Also the Council has incurred additional bank charges of c£40k due to the increase in volume of individuals using the Council's electronic payment system. The remainder is due to costs for the interim cover of vacant posts within the finance team.
- In 2022/23 the Council has a total budget for Empty Homes related expenditure in the sum of £800k. This budget is split £300k (Revenue funding) and £500k (Capital funding.) At Q1 the predicted outturn is an adverse variance on the revenue account of £600k. This is largely due to recognition of the additional revenue resources required to support the ongoing legal work of the Council and defence of the Empty Homes claim. This includes provision for future Barrister costs and administrative work of the Project Officer. The Council is also liable for council tax costs where properties within the scheme are without tenants.

### Target Efficiency Savings 2022/23

The Council agreed, as part of the 2021/22 and 2022/23 Budget processes, a number of Efficiency Targets, including an increase to published fees and charges.

Whilst the indicative outturn position noted above requires a contribution from reserves to balance the 2022/23 budget, the table below summarises efficiency performance against the individual budget headings.

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

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	6
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Budget Proposals (Net Efficiency Targets)	2022-23 £'000	Commentary at Q1
Trade Waste net increased income	(20)	At Q1 generated an extra £8.6k
Increased Taxi Licence Fees (Subject to Taxi Licencing Committee Approval)	(11)	Fee increases were approved therefore this target should be achieved.
Supplementary Planning Service	(5)	This is not currently being achieved
Garden Waste: Increased Subscriptions	(10)	At Q1 400 customers have not yet renewed causing an adverse variance of £13k
Fees and charges: annual increase in line with inflation	(8)	Approved - included in 2022/23 Estimates
Increased Investment Property Rental Income	(35)	Due to the current economic climate it is unlikely the increased income targets will be met.
Refuse Bins - replace with Revenue with Capital Reverse - Household Bin cleaning	(50)	Transferred Budget to Capital
Additional revenue requirement arising from the Digital Strategy	5	Approved - included in 2022/23 Estimates
Additional revenue requirement as a result of transferring vehicle fleet from diesel to hydro treated vegetable oil	41	Approved - included in 2022/23 Estimates
Extension to Rossendale Works (agreed Cabinet Oct 2021)	60	Approved - included in 2022/23 Estimates. However, pump price impact having negative impact on forecast spend in year. Estimated overspend at Q1 £163k.
Make permanent the Operations Supervisor & Education Officer posts - currently due to end 31/03/2021	30	Approved - included in 2022/23 Estimates
Contribution towards developing the Lancashire County Deal	67	Approved - included in 2022/23 Estimates
	20	Approved - included in 2022/23 Estimates
<b>Total Efficiency Targets</b>	<b>84</b>	

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	7
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Annual Variances	Q1	Q2	Q3	Q4	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	
<b>Communities Directorate</b>						
<b>Customer Services and e-Government</b>						
Housing Benefits subsidy and admin grant	(13.0)				(13.0)	
Housing Benefit Local Council Tax support grant	0.1				0.1	
Central IT Costs	(26.9)				(26.9)	
Other minor variances	(0.0)				(0.0)	(39.8)
<b>Operational Functions and Communities</b>						
Staff costs (including agency and overtime)	60.2				60.2	
Fuel, Vehicle Maint and Hire	(176.0)				(176.0)	
Parks & Open Spaces	(43.0)				(43.0)	
Street sweep running costs	(8.2)				(8.2)	
Garden Waste Income Less Costs	(16.0)				(16.0)	
Extra Costs within Refuse	(16.8)				(16.8)	
Trade Waste & Bulks Net income	8.6				8.6	
Public Realm Funding	38.0				38.0	
Weed killing	(7.0)				(7.0)	
Other minor variances	(2.7)				(2.7)	(162.9)
<b>Env'tal Health, PPU, Licensing and Enforcement</b>						
Staff costs	(24.1)				(24.1)	
Dog Service Cost Savings	4.3				4.3	
Other minor variances	(0.7)				(0.7)	(20.5)
<b>Economic Development</b>						
Staff costs (net of grant & fee income)	116.4				116.4	
ED Direct Costs	(2.7)				(2.7)	
Market Income	(13.6)				(13.6)	
Housing	(5.7)				(5.7)	
Planning Agency fees - staff cover	(33.1)				(33.1)	
Planning Consultancy Professional fees	(32.1)				(32.1)	
Planning Application Fee Income	14.1				14.1	
Planning Pre-apps	(19.6)				(19.6)	
Building Control Fee Income	8.8				8.8	
Property Running costs	(109.6)				(109.6)	
Business Rates	19.0				19.0	
Spinning Point bus station	1.8				1.8	
Estates Income (Excluding Town Hall, Futures Park)	(43.8)				(43.8)	
Futures Park Plot 1 & 5	(21.0)				(21.0)	
Business Centre rentals	(16.3)				(16.3)	
Other minor variances	(1.1)				(1.1)	(138.5)
<b>Corporate Management</b>						
Staff costs	2.5				2.5	
Election, Democratic Services and Member costs	(3.4)				(3.4)	
Internal and External Audit - Finance	(55.0)				(55.0)	
Leisure Services	(12.8)				(12.8)	
Bank & Cash Collection Charges	(39.3)				(39.3)	
Empty Homes	(600.0)				(600.0)	
Other minor variances	2.2				2.2	(705.8)
<b>Non-Distributed Costs &amp; Capital Financing</b>						
Historical pension commitments					-	
Interest	5.0				5.0	
Increase provision for Doubtful Debts					-	
MMI Costs					-	
MRP Savings					-	
Other minor variances	(1.3)				(1.3)	3.7
<b>Favourable/(adverse) variance</b>	<b>(1,063.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(1,063.9)</b>	<b>(1,063.9)</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	8
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Customer Services & ICT	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
<b>Customer Services</b>							
Benefits Administration	(249.3)	(0.2)	(249.5)	(234.3)	(15.2)	-	(15.2)
Benefits Granted	(23.7)	-	(23.7)	(23.8)	0.1	-	0.1
Local Tax Collection	(378.6)	-	(378.6)	(377.0)	(1.7)	-	(1.7)
Revenues & Benefits Partnership	988.3	-	988.3	988.3	-	-	-
<b>Strategic Functions</b>							
Management and Support	78.5	-	78.5	78.2	0.3	-	0.3
Service Assurance Team	137.3	-	137.3	146.4	(9.1)	-	(9.1)
Central Telephones	5.6	-	5.6	6.1	(0.5)	-	(0.5)
Central Printing	3.9	-	3.9	8.9	(5.0)	-	(5.0)
<b>ICT Support</b>	<b>771.8</b>	-	<b>771.8</b>	<b>780.5</b>	<b>(8.7)</b>	-	<b>(8.7)</b>
<b>Total</b>	<b>1,333.7</b>	<b>(0.2)</b>	<b>1,333.5</b>	<b>1,373.3</b>	<b>(39.8)</b>	-	<b>(39.8)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
<b>Benefits Admin</b>			
Staff			-
Housing Benefit administration grant			-
Housing Benefit Subsidy (net grant position)			-
Housing Benefit External Audit fee		(13.0)	(13.0)
Housing Benefit Local Council Tax support grant			-
Other minor variances		-	-
<b>Benefits Granted</b>			
Revenues & Benefits administration contract		0.1	0.1
<b>Local Tax Collection</b>			
Other minor variances		(1.7)	(1.7)
<b>Revenues &amp; Benefits Partnership</b>			
Partnership contracts		-	-
<b>Management and Support</b>			
IT - Introduction of GDPR			-
IT - external PSN testing & disaster recovery preparation			-
Other minor variances		0.3	0.3
<b>Service Assurance Team</b>			
SAT Team counter fraud work		(9.0)	(9.0)
SAT Team Grants received (incl Universal Credit)			-
SAT Team additional costs (incl Universal Credit) funded by grants			-
<b>ICT Support</b>			
Central IT Costs		(5.0)	(5.0)
Implementation costs for project and equipment purchases		(11.0)	(11.0)
<b>Telephones</b>			
Other minor variances		(0.5)	(0.5)
<b>TOTAL</b>	-	<b>(39.8)</b>	<b>(39.8)</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	9
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## Customer Service & ICT Highlight Report – Q1 (end June 2022)

### Historic Issues

- None.

### Current Quarter's Issues

At Q1 the forecast variance is £39.8k adverse, the main changes being: -

- Housing Benefit Audit costs are anticipated to exceed budget by an additional 13k, so £21k for the year, based on information received from the Council's External Auditor. The Housing Benefit audit is outside the scope of the 'core' audit work, which is subject to fee approval via Public Sector Appointments (PSAA) Ltd; Housing Benefit audit work is subject to separate agreement.
- In terms of business rates, the renewable energy income and budgeted S31 grants will be transferred into the Retained Business Rates Earmarked Reserve as per the original budget assumptions.
- At the end of Q1 the total value of computer equipment purchase and implementation costs has exceeded budget by £11k. A full review of these costs will be carried out in Q2 to review for any items of a capital nature.
- The Service Assurance Team has incurred additional costs for professional fees relating to inform CPI costs for rates reviews carried out.
- A full review of IT professional subscriptions and licences will be carried out in Q2 to review for any potential overspends in this area.

### Future Issues

- The Council's contract with Capita includes annual indexation increases linked to the higher of CPI or AWE. In light of the current economic situation and anticipated CPI rates this will have a significant impact for 2023/24.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	10
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## Communities Directorate

Period 3 (June)

Operations & Communities	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
<b>Operational Functions</b>							
Operations Admin & Vehicle Maintenance	348.7	-	348.7	405.3	(56.6)		(56.6)
Refuse & Recycling	1,190.8	-	1,190.8	1,377.7	(186.8)		(186.8)
Street Sweeping	361.5	-	361.5	310.3	51.2		51.2
<b>Parks &amp; Cemeteries</b>							
Parks & Open Spaces	894.1	-	894.1	862.4	31.7		31.7
Cemeteries	(231.6)	-	(231.6)	(231.9)	0.3		0.3
<b>Communities Team</b>							
Area Forums	144.8	(27.0)	117.8	120.6	(2.7)	-	(2.7)
	15.0		15.0	15.0	-		-
<b>Total</b>	<b>2,723.4</b>	<b>(27.0)</b>	<b>2,696.4</b>	<b>2,859.3</b>	<b>(162.9)</b>	<b>-</b>	<b>(162.9)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
<b>Operations Admin &amp; Vehicle Maintenance</b>			
Operations Efficiency Saving on Henrietta Street		(65.2)	(65.2)
Fleet Management Vacancy and Agency		25.0	25.0
Henrietta Street - Recruitment Costs		(13.6)	(13.6)
Office and Computer Equipment		(3.0)	(3.0)
Henrietta Street - Public Realm Income		3.0	3.0
Vehicle Maintenance (including tyres/ parts)			-
Fleet Running Costs MOTs			-
Fleet - extra fuel costs		(163.0)	(163.0)
<b>Refuse &amp; Recycling</b>			
Refuse Salaries and Agency		14.7	14.7
General Garden Waste Expenditure		(3.0)	(3.0)
Garden Waste under achieved income		(13.0)	(13.0)
Bin Repairs and Litter Bins			-
Refuse Fleet - Tyres		(13.0)	(13.0)
Trade Waste - Tipping Fees			-
Trade Waste - income		8.6	8.6
<b>Street Sweeping</b>			
Street Sweeping Salaries and Agency		58.5	58.5
Street Sweep Plant Insurance		(1.2)	(1.2)
Street Sweep Tools and PPE		(7.0)	(7.0)
Weed Killing		(7.0)	(7.0)
Street Sweep Public Realm		7.0	7.0
<b>Parks &amp; Open Spaces</b>			
Parks Salary Variances (Including temporary gardeners)		44.7	44.7
Parks Extra Costs		(43.0)	(43.0)
Parks & Open Spaces S106 and Other Contributions Public Realm		28.0	28.0
<b>Cemeteries</b>			
Cemeteries Repairs			-
Cemetery Income & Internment Fees			-
<b>Other Variances</b>			
Overtime Budgets (net all areas)		(17.5)	(17.5)
Communities Pay Inflation		(2.7)	(2.7)
Other Variances		(0.2)	(0.2)
<b>TOTAL</b>	<b>-</b>	<b>(162.9)</b>	<b>(162.9)</b>

Responsible Section/Team	Financial Services	Page	11
Responsible Author	Finance Manager	Produced	30/06/2022
Dates covered in this review	2022/23 Monitoring	Next review	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## Operations Highlight Report – Q1 - 30<sup>th</sup> June 22

### Historic Issues

The approved Capital Vehicle Replacement Programme is in progress for 2022/23. However, there are longer than normal lead times for vehicles being delivered. There continues to be the need to use Agency to help support the Refuse Team and Fuel Costs are at an all-time high which is the primary reason for the overspend forecasted at Q1.

### Current Quarter Issues

At the end of Q1, overall Operations and Communities are forecasting an adverse variance of £162.9k. The majority of this is due to the increase in vehicle fuel costs (c£163k). This in turn means that the efficiency saving set is unachievable of £67k. There are several other budget variances. Extra income has been negotiated from Lancashire County Council, for the Public Realm Works carried out by the Council on their behalf, of approximately £38k

### Henrietta Street

Have incurred additional unbudgeted expenditure for recruitment costs of £13.6k, this cost centre also hosts the efficiency saving target £67k.

### Fleet

Currently have a member of staff down which in the short term will be covered by Agency staff.

### Refuse

Within Refuse there has been a fall in the Garden Waste Service Subscription due to approximately 400 customers not yet renewing their subscription, causing a shortfall of £13k in income at Q1. The Direct Costs associated with Refuse have seen increased prices for resources resulting in a slight overspend of £4.6k. During Q1 there have been some staff movements and one leaver generating a vacancy. At the end of Q1 the staffing position on Refuse remains within the budget. Trade Waste is expecting to overachieve their income target by around £8.6k. Due to the rise in Fuel prices, including the extra higher cost for HVO it is anticipated that Fuel will overspend by around £163k. The price of other resources has also risen with expenditure on tyres anticipated to c£13k over budget.

### Street Sweep

Currently has 3 vacant posts which includes one member of staff being seconded to Parks. This has generated a staffing saving of £58.5k. There continues to be a budget pressure on the Weedkilling and Whitworth Caretaker Service of £7k. Street Sweep will benefit by £7k increased income due to the re-negotiated contribution from LCC for the Public Realm Service. Vehicle Plant Insurance has exceeded the budget due to inflation by £1.2k.

### Parks

Parks have staffing savings of £44.7k due to a vacancy which has arisen in Q1 and a member of staff currently on reduced hours. Direct costs on Parks are overspent by £15k due to extra costs for external contractors, litter bins and hire. Extra Income for Public Realm Work will benefit Parks by £28k.

Parks Vehicles have cost pressures exceeding the budget by £16k due to prices increases on tyres and hire.

Direct Costs for the Playing Fields have too seen inflationary increases exceeding the budget by £2k.

Park Playgrounds have incurred general repairs of £5k and extra costs for insurance of £5k but this is offset by additional income that has been contributed of £5k.

### Cemeteries

Income contributions at Q1 are within budget.

### The Future

Operations are working with LCC to identify potential sites to develop a transfer station. This will assist in driving through efficiencies in the refuse collection operation.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	12
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Communities Directorate

Period 3 (June)

Public Protection	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
Public Protection Unit	163.3	20.4	183.7	178.2	5.5		5.5
Environmental Health	191.4	(13.8)	177.6	176.1	1.5		1.5
Licensing & Enforcement	52.9	20.4	73.3	100.9	(27.6)		(27.6)
<b>Total</b>	<b>407.6</b>	<b>27.0</b>	<b>434.6</b>	<b>455.2</b>	<b>(20.5)</b>	-	<b>(20.5)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
<b>PPU</b>			
PPU Staffing Saving		1.4	1.4
Dog Warden Service Saving		4.3	4.3
Other Variance		(0.7)	(0.7)
<b>Environmental Health</b>			
Environmental Health - staffing and consultant		1.5	1.5
<b>Licensing &amp; Enforcement</b>			
Licensing & Enforcement - staffing		(27.0)	(27.0)
<b>TOTAL</b>	-	<b>(20.5)</b>	<b>(20.5)</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	13
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## Environmental Health, Public Protection Unit and the Licensing and Enforcement Service Highlight Report – Q1 – 30<sup>th</sup> June 22

### Historic Issues

- Nothing reported

### Current Quarter Issues

At the end of Q1 Environmental Health, Public Protection Unit and the Licensing and Enforcement budgets are overspent by £20.5k in the main due to staffing but broken down as follows:-

#### Environmental Health

- Staffing Costs are £1.5k underspent and everything else is within budget.

#### Rogue Landlords

- Due to COVID, over the last couple of years training for private landlords has not been able to be delivered and the provider who was in place ceased trading. Environmental Health are in the process of delivering some training in this area from funding that has been brought forward from Provisions to carryout this work out throughout 2022-23.

#### Climate Change.

- The Climate Change Initiative is underway and within budget.

#### Public Protection Unit

- The staffing costs are slightly underspent by £1.4k.
- Within direct costs the Dog Services are projecting to spend less saving £4.3k.

#### Licensing & Enforcement

- Staffing Costs are overspent by £27k due to an extra member of staff remaining within this service area.
- Direct Costs are within budget with the exception of vet fees £1.8k which will be recharged where possible.
- Licensing and Enforcement are within budget with the exception of staffing.

### Future Issues

Taxi Licensing – intention to waive fee for electric vehicles for two years. Not anticipated to impact materially on current budgets as currently few electric vehicles.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	14
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Economic Development & Regeneration Services	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
<b>Planning</b>							
Development Control	156.7	-	156.7	149.0	7.7		7.7
Forward Planning	153.6	-	153.6	141.1	12.4		12.4
<b>Building Control</b>							
Building Control - Fee Earning Account	(4.5)	-	(4.5)	(23.1)	18.6		18.6
Building Control - Statutory Function	33.2	-	33.2	28.4	4.8		4.8
Building Control - Street Signs	2.5	-	2.5	1.6	0.9		0.9
<b>Regeneration</b>							
Economic Regeneration	177.5	0.0	177.5	174.5	3.0		3.0
Whitaker Park Museum	20.0	-	20.0	20.0	0.0		0.0
Tourisms	40.0	-	40.0	40.0	-		-
Markets	(23.9)	-	(23.9)	(10.2)	(13.6)		(13.6)
<b>Property Services &amp; Facilities Management</b>							
Property Services	95.1	-	95.1	82.8	12.3		12.3
Corporate Estates	(425.6)	-	(425.6)	(383.7)	(41.9)		(41.9)
Non Domestic Estates	(126.6)	-	(126.6)	(124.2)	(2.4)		(2.4)
Office Accommodation	39.5	-	39.5	58.6	(19.1)		(19.1)
Operational Properties	358.4	-	358.4	458.0	(99.7)		(99.7)
Leisure Properties	103.3	-	103.3	102.1	1.2		1.2
Bus Shelters	107.6	-	107.6	100.8	6.8		6.8
Business Centre	154.3	0.2	154.5	178.3	(23.8)		(23.8)
<b>Strategic Housing</b>							
Housing Strategy	59.1	-	59.1	61.0	(1.9)		(1.9)
Private Sector Housing Renewals	(3.7)	-	(3.7)	(3.7)	(0.0)		(0.0)
Homelessness	141.6	(37.1)	104.5	108.3	(3.8)		(3.8)
<b>Total</b>	<b>1,073.1</b>	<b>(36.9)</b>	<b>1,036.3</b>	<b>1,174.7</b>	<b>(138.5)</b>	<b>-</b>	<b>(138.5)</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	15
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Key changes made during the period to	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
<b>Planning</b>			
Forward Planning staffing		11.3	11.3
Planning staffing		82.4	82.4
Planning Agency Staff Fees		(55.6)	(55.6)
Planning Consultancy fees/ Legal fees		(32.1)	(32.1)
20% FBHM to support staffing		22.5	22.5
Planning Application Fee Income		14.1	14.1
Pre-App Income		(19.6)	(19.6)
<b>Building Control</b>			
Building Control staffing		15.3	15.3
Building Control Fees		8.8	8.8
Planning /Building Control misc under/over		(2.7)	(2.7)
<b>Regeneration</b>			
Economic Regeneration Staffing Saving		5.7	5.7
Direct Costs Overspend includes Recruitment Advertising		(2.7)	(2.7)
Markets Income underachieved		(13.6)	(13.6)
<b>Strategic Housing</b>			
Housing Strategy Staffing and Direct Costs overspend		(1.8)	(1.8)
Private Sector Housing Renewals Agency Costs		(40.0)	(40.0)
Private Sector Housing Renewals staffing and Direct Costs		17.3	17.3
Private Sector Renewals additional fee income or contribution from Housing reserve		23.9	23.9
Homelessness		(3.7)	(3.7)
Other Miscellaneous Variances		(1.3)	(1.3)
<b>Property Services Team</b>			
Property Services staffing		3.5	3.5
Pool Car, CCTV, Emergency Planning		5.5	5.5
<b>Corporate Estates</b>			
Corporate Estates rental income		(44.3)	(44.3)
Futures Park rental income		(21.0)	(21.0)
Valuation Fees & Professional Fees		(6.2)	(6.2)
<b>Non Domestic Estates</b>			
Industrial units rental income		0.5	0.5
<b>Operational Properties</b>			
Property Running Costs: Repairs &		-	-
Gas, Electricity, Water		(109.6)	(109.6)
NNDR - excluding Spinning Point bus station		19.0	19.0
Knotweed Treatment		(12.3)	(12.3)
<b>Leisure Properties</b>			
		8.7	8.7
<b>Bus Station / Shelters</b>			
Spinning Point Bus Station running costs		1.8	1.8
Bus Shelters		6.8	6.8
<b>Business Centre</b>			
Business Centre rentals		(16.3)	(16.3)
Business Centre Fit Tarrif		3.0	3.0
Property Insurance Premiums		(5.5)	(5.5)
Other Miscellaneous Variances		(0.3)	(0.3)
<b>TOTAL</b>	-	(138.5)	(138.5)

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	16
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## Economic Development & Regeneration Highlight Report – Q1 (June 2022)

### Historic Issues

- None

### Current Quarter Issues

**Economic Regeneration are currently forecasting an adverse variance of £10.6k, which is broken down as detailed below: -**

- Staff Costs in Economic Development are underspent by £5.9k. Offset by costs for recruitment £2.3k. There has been some small extra costs incurred £0.5k,
- The Museum and Promoting Rossendale are within Budget. From 2022/23 the running costs for the Whittaker Museum have transferred to the Whitaker CIC.
- Markets for Bacup and Haslingden have been transferred into Economic Development and are currently struggling to generate the income target and are showing an adverse variance of £13.6k.
- New Projects for 22-23 include Rossendale Works 1.4 – More Positive Together has began.

### **Housing net overspend of £5.6k**

- Extra agreed resource has been added to the Private Sector Renewal Team to address the backlog on the DFG's. Any shortfall in the top slice of the DFG Funding will be met from the Homelessness Reserve.
- Staffing savings in the first part of the year generate £17.3k of savings. However, these are offset by Agency costs £40k. The Grade 5 position has now been filled at the end of July 22 with the new member of staff now in post.
- There are currently 15 households in B&B Accommodation which includes families and single occupancy.

**Property Services and Facilities Management is currently showing an adverse variance of £166.6k.**

- Salary costs are showing a favourable variance of £3.5k.
- Facilities running costs are showing an adverse variance of £109.6k this is mainly due to the increase in utility costs.
- The estates income is showing an overall adverse variance of £44.3k The section is seeking new income streams
- Futures Park units are showing an under achievement of £17.3k
- Property Services proportion of insurance premiums is showing an overspend of £5.5k.
- Business Centre room hire are projecting an under achievement of £16.3k Three tenants remain

### **Planning & Building Control are showing a favourable variance of £44.4k**

- Planning staffing (inc agency/consultancy) costs are showing a favourable variance of £6k, this is due to an £11k underspend in Forward Planning offset with a £5k overspend in Development Control. Building Control staffing costs are £15.3k below the budget.
- Planning / Building Control income are projecting a favourable variance of £14.1k and £8.8k respectively.
- Pre-application fees have an income target of £31.6k for 2022/23. However this budget is projected to under achieve by £19.6k.

### Future Issues

- Continued increases in gas and electricity cost are placing a strain on the Council's budget.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	17
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## Corporate Services Directorate

Period 3 (Jun)

Corporate Management	2022/23 Orig Budget £000	Virements Budget £000	2022/23 App Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
<b>Corporate Management</b>							
Executive Office	372.0	-	372.0	357.0	15.0		15.0
Corporate Contingency	65.2	-	65.2	65.2	(0.0)		(0.0)
Exec Support & Corporate Subscriptions	34.2	-	34.2	34.2	(0.0)		(0.0)
<b>Legal Services</b>	180.4	-	180.4	177.1	3.3		3.3
<b>Land Charges</b>	(17.7)	-	(17.7)	(16.4)	(1.3)		(1.3)
<b>Democratic Services</b>							
Electoral Registration	73.1	-	73.1	69.4	3.7		3.7
Elections	75.0	-	75.0	75.1	(0.2)		(0.2)
Democratic Support	348.4	-	348.4	349.0	(0.5)		(0.5)
Mayoralty & Civic Events	56.0	-	56.0	57.1	(1.1)		(1.1)
Town Twinning	2.5	-	2.5	2.5	-		-
<b>Financial Services</b>							
Treasury Management	81.2	-	81.2	170.7	(89.5)		(89.5)
Insurance, Risk & Audit Fees	64.7	-	64.7	64.7	-		-
Financial Services Team	439.1	-	439.1	468.0	(28.9)		(28.9)
<b>People &amp; Policy</b>							
Human Resources	457.4	-	457.4	449.2	8.2		8.2
Corporate Support	224.8	-	224.8	230.4	(5.6)		(5.6)
Publicity	4.0	-	4.0	-	4.0		4.0
<b>Leisure Services</b>	(55.1)	-	(55.1)	(42.3)	(12.8)		(12.8)
<b>Empty Homes Scheme</b>	300.0	-	300.0	900.0	(600.0)		(600.0)
<b>Total</b>	<b>2,705.1</b>	<b>-</b>	<b>2,705.1</b>	<b>3,410.9</b>	<b>(705.8)</b>	<b>-</b>	<b>(705.8)</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
<b>Executive Office</b>			
Salary variances		15.0	15.0
<b>Legal Services</b>			
Salary variances		2.3	2.3
Other Legal Misc under/ over		1.0	1.0
<b>Land Charges</b>			
Salary variances		0.3	0.3
Search Income		(2.0)	(2.0)
<b>Democratic Services</b>			
Salary variances Elections		1.7	1.7
Other Election Misc under/ over		1.7	1.7
Salary variances Democratic Support		2.6	2.6
Members Costs - Extra Cabinet Member		(3.4)	(3.4)
<b>Financial Services</b>			
Salary variances - Accountants		(25.7)	(25.7)
Salary variances - Exchequer		3.6	3.6
Cash collection charges		(4.8)	(4.8)
External Audit Fees - Grant Thornton		(55.0)	(55.0)
Bank Charges / Bank interest		(34.5)	(34.5)
<b>Human Resources</b>			
Salary variances		8.2	8.2
<b>Corporate Support</b>			
Salary variances		(5.5)	(5.5)
<b>Publicity</b>			
Salary variances		4.0	4.0
<b>Leisure</b>			
Salary variances		(12.8)	(12.8)
<b>Empty Homes</b>			
Salary variances		(600.0)	(600.0)
Other Misc under / (over) spends		(2.5)	(2.5)
<b>TOTAL</b>	<b>-</b>	<b>(705.8)</b>	<b>(705.8)</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	18
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## Corporate Management Highlight Report – Q1 June 2022

### Historic Issues

- None

### Current Quarter Issues

The Corporate Management outturn is forecast to be £705.8k adverse, the main movements being: -

- Staff changes are £2.5 favourable:
  - Corporate Management – saving of £15k
  - Legal Services – are showing a saving of £2.3k
  - Democratic Services – are showing a saving of £2.6k
  - Elections – are showing a saving of £1.7
  - Corporate support – are showing an adverse variance of £5.5k
  - Financial Services – adverse £22.1k linked to interim staffing appointments at higher than original budget assumptions, but does not yet reflect review of core staff time eligible for funding from new burdens monies
  - People & Policy – is showing a favourable variance of £8.2k
- Local Land Charges income is showing an adverse variance of £2k.
- External Audit charges are anticipated to be c£55k overspent, due to additional charges received from Grant Thornton for the audit of the 2016/17 & 2017/18 accounts.
- Due to the increase in volume of individuals using the Council's electronic payment system bank charges are predicted to be £40k over budget.
- The Empty Homes scheme is predicted to overspend by £600k revenue, this is due to various issues that will be reported to Council.

### Futures Issues

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

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	19
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Corporate Services Directorate

Period 3 (Jun)

Non-Distributed Costs & Capital Financing	2022/23 Orig Budget £000	Virements Budget £000	2022/23 Org Budget £000	2022/23 Forecast £000	2022/23 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr1 (Adv)/Fav £000
<b>Non Distributed Costs</b>							
Employee & Pension Costs	112.7	-	112.7	112.7	-		-
Other Non-distributed Costs	19.5	-	19.5	20.7	(1.3)		(1.3)
<b>Capital Financing</b>							
Minimum Revenue Provision	549.6	-	549.6	549.3	0.3		0.3
Interest (net)	119.0	-	119.0	114.3	4.7		4.7
<b>Total</b>	<b>800.8</b>	<b>-</b>	<b>800.7</b>	<b>797.0</b>	<b>3.7</b>	<b>-</b>	<b>3.7</b>

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
<b>Employee &amp; Pension Costs</b>			
Other minor variances		(1.3)	(1.3)
<b>Capital Financing</b>			
Interest expenditure/income from bank accounts		5.0	5.0
Other minor variances			-
<b>TOTAL</b>	<b>-</b>	<b>3.7</b>	<b>3.7</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	20
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## Non-Distributed Costs & Capital Financing Highlight Report – Q1 (June 2022)

### Historic Issues

- Savings on the pension costs fall into two areas; savings on historical pension costs as former employees pass away and the advance payment of pension costs at a discount, which reduce Council costs. The Q1 projection is for expenditure to meet budget.

### Current Quarter Issues

- The original budgeted staff savings target was £200k. Added to this is £25k of savings from employees purchasing additional leave. Total forecast savings in staff costs at Q1 are now £112.3k. The significant variation relates to an unbudgeted post in Public Protection and the costs of the interim post within finance. This gives an estimated overall net adverse variance in staff costs of £87.7k. This position is currently realised across services with the target saving held in Non-Distributed Costs (NDC). The net variance presented in NDC is thus offset by performance in services, and is contained within the overall outturn.

<b>Forecast Year End</b>	<b>Q1*</b>
<b>Staffing Variances</b>	<b>£000</b>
Customer Services	-
Operations	60.2
Public Protection	(24.1)
Economic Development	116.4
Corporate Management	15.0
Legal & Democratic	6.9
Financial Services	(39.8)
People & Policy	2.7
<b>Savings in staff costs</b>	<b>137.3</b>
Additional Leave	(25.0)
<b>Total staff savings</b>	<b>112.3</b>
Original savings target	(200.0)
<b>Staff Variance</b>	<b>(87.7)</b>

- Interest income is currently forecast to be c£14k this is above the budget by c£5k. The recent Bank of England interest rate rises have not been reflected in the rates the Council is being offered from banking institutions. However officers are placing funds with institutions offering the highest rates, which are currently Lancashire County Council and the debt Management Office. The continued level of uncertainty around income collection has prompted officers to keep cash flow mainly with instant accounts.

### Future Issues

The 'Cost of Living Crisis' continues to dominate headlines with the impact of the employers pay award, should it be accepted having significant implications on the MTFs assumptions. Similarly, the next pension triennial valuation results are due with effect from 2023/24 with the impact as yet unknown.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	21
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Employment & Transport Reserve	Director Invest Reserve	Local Business Rates Retention Reserve	Transitional Budgetary Support	Planning Reserve	Response & Recovery Reserve
	AN060103	AN060123	AN060144	AN060129	AN060145	AN06
<b>Balance at 01/04/2022</b>	<b>270.1</b>	<b>74.0</b>	<b>5,213.8</b>	<b>2,458.1</b>	<b>65.0</b>	<b>808.7</b>
<b>Funds Received 2022/23</b>						
Collection Fund - S31 Grants (NNDR1)			1,460.0			
Collection Fund - Renewable Energy (NNDR1/3)			183.0			
New Homes Bonus				132.0		
Services Grant				150.0		
Lower Tier Services Grant				98.0		
Other Revenue income received						
<b>Total Funds Available</b>	<b>270.1</b>	<b>74.0</b>	<b>6,856.8</b>	<b>2,838.1</b>	<b>65.0</b>	<b>808.7</b>
<b>2022/23 Published Budget Utilisation</b>						
New Homes Bonus				(132.0)		
Services Grant				(150.0)		
Lower Tier Services Grant				(98.0)		
General budget support				(1,063.8)		
<b>2022/23 Other Utilisation Plans</b>						
Transfers between Reserves		(74.0)	(2,028.0)	2,102.0		
IER						
Covid related expenditure			(2,346.0)			(445.1)
Support Forward Plan						
Economic Development Projects	(270.1)			(22.5)		
Legionella Risk Assessment						
Living Well, Living Better Project						
Haslingden Task Force						
Homelessness Projects						
Property-related projects						
Other Commitments				(1,424.5)	(10.0)	
Total Utilisation Commitment	(270.1)	(74.0)	(4,374.0)	(788.8)	(10.0)	(445.1)
<b>Reserve Estimates 31/3/2022</b>	<b>0.0</b>	<b>0.0</b>	<b>2,482.8</b>	<b>2,049.3</b>	<b>55.0</b>	<b>363.6</b>
<b>Future Contributions/Utilisation Plans</b>						
2023/24 plans			(499.0)	(641.5)	(20.0)	
2024/25 Plans			(660.0)	(666.0)		
2025/26 Plans				(568.0)		
<b>Potential Reserve Balances</b>	<b>0.0</b>	<b>0.0</b>	<b>1,323.8</b>	<b>173.8</b>	<b>35.0</b>	<b>363.6</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	22
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

<b>Earmarked Reserves (cash-backed items only)</b>	Vehicle Reserve	Leisure Reserve	Rawtenstall Bus Station	Directorate Reserves	General Reserve	<b>Total</b>
	AN060130	AN060118	AN060150	AN06		
<b>Balance at 01/04/2022</b>	<b>189.1</b>	<b>46.6</b>	<b>517.0</b>	<b>1,485.4</b>	<b>1,000.0</b>	<b>12,127.9</b>
<b>Funds Received 2020/21</b>						
Collection Fund - S31 Grants						1,460.0
Collection Fund - Renewable Energy						183.0
New Homes Bonus						132.0
Services Grant						150.0
Lower Tier Services Grant						98.0
Other Revenue income received				0.0		0.0
<b>Total Funds Available</b>	<b>189.1</b>	<b>46.6</b>	<b>517.0</b>	<b>1,485.4</b>	<b>1,000.0</b>	<b>14,150.9</b>
<b>2022/23 Published Budget Utilisation</b>						
New Homes Bonus						(132.0)
Services Grant						(150.0)
Lower Tier Services Grant						(98.0)
General budget support						(1,063.8)
<b>2022/23 Other Utilisation Plans</b>						
Transfers between Reserves						0.0
IER				(13.7)		(13.7)
Covid related expenditure						(2,791.1)
Support Forward Plan						0.0
Economic Development Projects						(292.6)
Legionella Risk Assessment						0.0
Living Well, Living Better Project						0.0
Haslingden Task Force						0.0
Homelessness and Communities Projects						0.0
Property-related projects				(20.9)		(20.9)
Other Commitments	(189.1)	(20.0)		(261.3)		(1,904.9)
Total Utilisation Commitment	(189.1)	(20.0)	0.0	(295.9)		(6,467.0)
<b>Reserve Estimates 31/3/2022</b>	<b>0.0</b>	<b>26.6</b>	<b>517.0</b>	<b>1,189.5</b>	<b>1,000.0</b>	<b>7,683.9</b>
<b>Future Contributions/Utilisation Plans</b>						
2023/24 plans				(134.3)		(1,294.8)
2024/25 Plans				(52.0)		(1,378.0)
2025/26 Plans				(52.8)		(620.8)
<b>Potential Reserve Balances</b>	<b>0.0</b>	<b>26.6</b>	<b>517.0</b>	<b>950.4</b>	<b>1,000.0</b>	<b>4,390.2</b>

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	23
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Current issues

As noted on page 2, the forecast adverse variance on the General Fund of £1,063.8k will require a contribution from the Transitional Reserve to support the budget.

The Council's share of S31 grant receipts will now be contributed to the Transitional Budgetary Support Reserve (from the Business Rates Retention reserve). This is shown in the Earmarked Reserves Table 1 as a transfer between the respective reserves.

The Covid related S31 grant receipts received during 2020/21 and 2021/22 in respect of the Retail, Hospitality, Leisure and Nursery reliefs were added to the Business Rates Retention reserve, and then released equally over the next three years, commencing 2022/23, to fund Collection Fund deficits. This is in accordance with amended legislation to fund the 'exceptional balance' incurred as a result of the Covid pandemic on the Collection Fund ('re-phasing the deficit'). The planned contribution features in the above table.

As above, the Response & Recovery Reserve will continue to be used to release funds as necessary to meet eligible expenditure incurred as a consequence of Covid. The planned expenditure/grant returns are included within the above table. Details of these commitments are included in the Covid summary on page 41.

The release of funding from the Employment & Transport Reserve to support approved expenditure incurred in 2022/23 means the fund will be exhausted by the end of the year.

The legacy of the Covid pandemic, the Empty Homes scheme and the ongoing economic crisis are placing significant pressure on the Council's financial position.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	24
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Homeless Grant	Domestic Abuse Grant	Hoarding Grant	Total
	£000	£000	£000	£000	
	AL030132	AL030127	AL030130	AL030129	
<b>Balance at 01/04/2022</b>	<b>2,221.3</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>2,282.7</b>
<b>New Funds Received 2022/23</b>					
Grant due/received	1,160.1				1,160.1
<b>Total Funds Available</b>	<b>3,381.4</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>3,442.8</b>
<b>Utilisation in 2022/23</b>					
DFGs Outturn 2021/22	(1,160.1)				(1,160.1)
Transforming Lives/Hoarding Projects					0.0
Homelessness Project					0.0
Domestic Abuse Projects					0.0
Covid related expenditure					0.0
Movement to Earmarked Reserves					0.0
<b>Anticipated Balance 31/03/2023</b>	<b>2,221.3</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>2,282.7</b>
<b>Future Utilisation Plans</b>					
2023/24 plans	(1,000.0)	0.0	0.0	0.0	(1,000.0)
2024/25 plans	(858.2)	0.0	0.0	0.0	(858.2)
<b>Potential Reserve Balances</b>	<b>363.1</b>	<b>52.9</b>	<b>6.8</b>	<b>1.7</b>	<b>424.5</b>

In addition to the £2,221.3k of unspent DFG grant brought forward 1/04/22, the 2022/23 allocation of £1,160k has been confirmed, giving total DFG resources of £3,381.4k. For the purpose of the above table, future utilisation plans recognise an estimated profile of DFG grants received to date only, and do not include estimation of any future receipts from the Better Care Fund. The Council's approved Medium Term Capital Strategy assumes DFG grant receipts in the sum of £1,000k per year over the plan period and will be updated in due course to reflect the recent confirmation that the DFG allocation for the Council for 2022/23 is again £1,160k.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	25
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Staff Costs, including agency

Net Employment Costs 2022/23 to end June	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2021/22	FTE Changes during 2021/22	Current Vacant Posts
<b>Communities Directorate</b>								
Customer Services	86	88	(2)	-	(2)	7.8	0.0	0
Operations Service*	444	482	(38)	-	(38)	51.0	0.0	1
Parks & Cemeteries*	172	162	10	-	10	21.0	0.0	1
Public Protection Unit	41	39	2	-	(0)	8.0	0.0	0
Environmental Health	59	59	(0)	-	(8)	5.0	0.0	0
Licensing & Enforcement	38	46	(8)	-	(2)	2.0		
Communities Team	23	25	(2)					
<b>Economic Development Directorate</b>								
Planning Services	134	134	(0)	-	(0)	12.4	0.0	0
Building Control Services	41	40	1	-	1	4.0	0.0	0
Regeneration	56	56	0	-	0	2.0	0.0	0
Property Services	26	15	11	-	11	3.6	0.0	1
Housing	82	67	15	-	15	8.5	0.0	1
<b>Corporate Services</b>								
Corporate Management	92	90	2	-	2	4.0	0.0	0
Legal Services	41	40	1	-	1	3.0	0.0	0
Local Land Charges	14	14	(0)	-	-	1.5	0.0	0
Empty Homes	7	5	2	-	3	6.4	0.0	0
Democratic Services	60	57	3	-	7	9.0	0.0	0
Financial Services	123	116	7	-	2	17.9	0.0	0
People & Policy	159	157	2	-				
<b>Total Net Overspend</b>	<b>1,700</b>	<b>1,692</b>	<b>8</b>	<b>-</b>	<b>6</b>	<b>167.1</b>	<b>0.0</b>	<b>4.0</b>

The net employee underspend at Q1 is £8k. There are two main areas affecting the staffing savings at Q1:-

- Operations are overspent by £38k
- Licensing & Enforcement which are overspent by £8k.

Explanations for these are included in commentary elsewhere in this report.

### Treasury Management & Cash Flow Monitoring

At the end of June the bank balances were £14.7m. Maintenance of significant cash balances in Q1 are largely as a result of a delay to the anticipated repayment of sums reported at Q1. It was originally estimated that c£6m of funding held over from 2020/21 would be repayable to Government by the end of April 22. c£3m was repaid in July, with the remaining funding due to be repaid during 2022/23. Current estimates suggest returnable sums due in late Q2 or early Q3 of 2022/23 and this timing is assumed in future cashflow planning.

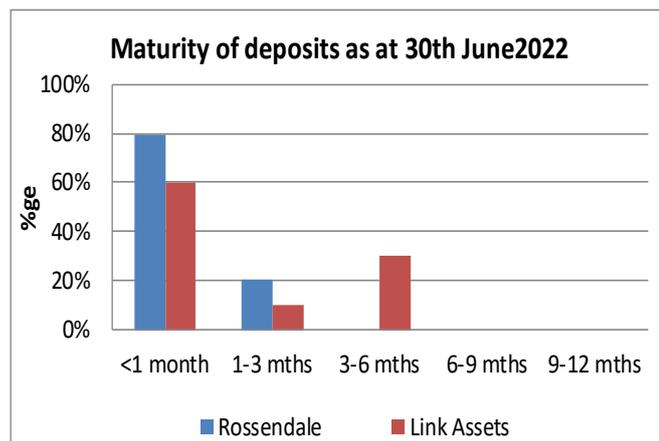
During the period the Council has also held funding for the Energy Rebate Scheme (£4m), the majority of this funding has now been distributed.

These receipts have sustained the Council's temporary cash balances at historically high levels.

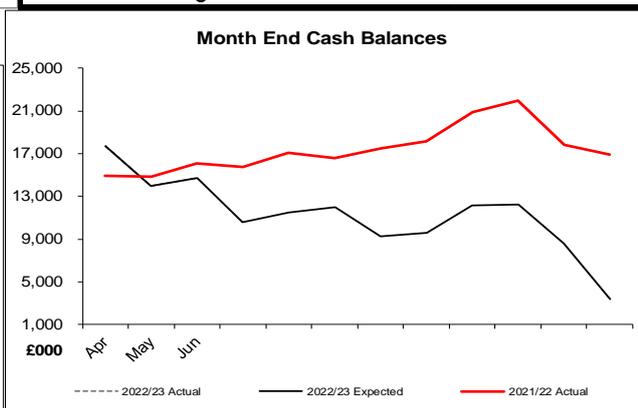
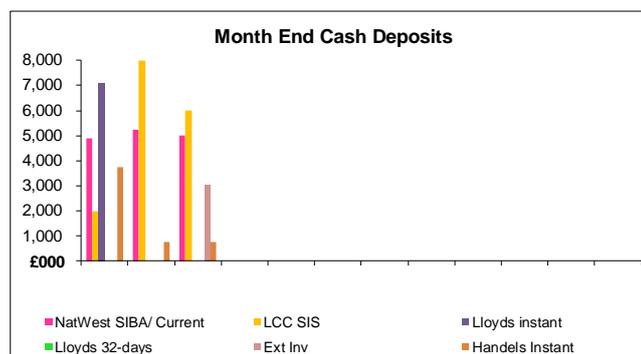
Given the increase to Bank Rate and the temporary cash balances available to invest, the Council has taken a more proactive approach to managing its cash balances in 2022/23 to maximise interest receivable, relative to its budget estimate, and to mitigate the impact of rising costs as far as possible, a result of historically high inflation pressures.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	26
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022



Balances & Interest Rates at 30/06/2022	Current Balance £k	Avg Interest Rate %
NatWest SIBA	4,990	0.10
Lancashire CC Call	6,000	1.00
Handelsbanken instant	750	0.00
External Investments	3,000	0.18
Lloyds instant access	-	0.00
Lloyds 12mth Deposit	-	-
<b>Total Bal &amp; Avg interest</b>	<b>14,740</b>	<b>0.48</b>



NB 2022/23 Month end cash balances currently aligned to actual cash – hence cannot see dotted line at Q1.

The Bank of England voted to increase the 'Bank Rate' on 3<sup>rd</sup> February 2022 and again on 17<sup>th</sup> March 2022, increasing from 0.25% to 0.50% and subsequently to 0.75%. Indeed the Monetary Policy Committee (MPC) increased the bank rate again on 5<sup>th</sup> May 2022, increasing the rate from 0.75% to 1.00%.

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

Instant access arrangements typically return lower interest rates despite the recent increase in bank rate. In many cases there has been no uplift to interest rates on offer to the Council from its existing relationships.

As per the commentary above, the Council is taking a more proactive approach to fixed and longer-term investments for a smaller proportion of its surplus balances. In accordance with the approved Treasury Management Strategy, these deposits will be placed with high quality Counterparties eg Central Government, Other Local Authorities. The strategy is considered prudent in the context of CIPFA's Prudential Code which prioritises Security and Liquidity over Yield (SLY).

At 30<sup>th</sup> June 2022, the Council's portfolio mix consists of £6m in an LCC call account, £3m on deposit with the DMO for 3 months and liquid funds of £5.7m.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	27
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Interest Forecast	Budget 2022/23	Forecast 2022/23	Variance Fav/(Adv)	Change Fav/(Adv)
<b>Revenue</b>				
Interest payable (PWLb)	(127.0)	(127.0)	0.0	0.0
Other interest payable	(1.0)	0.0	1.0	1.0
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	9.0	14.0	5.0	5.0
<b>Net Interest</b>	<b>(119.0)</b>	<b>(113.0)</b>	<b>6.0</b>	<b>6.0</b>

The average effective interest rate at the end of Q1 was 0.07%, compared to a target of 0.1%.

### Interest Paid/Received

The budget for interest in 2022/23 is a net cost of £119k, current estimates are that the outturn will be a net cost of £113k. However if interest rates continue to rise this net cost should decrease.

### Economic Outlook

#### (Released June 22)

The Consumer Prices Index rose by 7.8% in the 12 months to April 2022, up from 6.2% in March. The largest upward contributions to the annual CPIH inflation rate in April 2022 came from housing and household services (2.76 percentage points, principally from electricity, gas and other fuels, and owner occupiers' housing costs) and transport (1.47 percentage points, principally from motor fuels and second-hand cars).

Average petrol prices stood at 161.8 pence per litre in April 2022, compared with 125.5 pence per litre a year earlier. The April 2022 price is the highest recorded. The average price of diesel in April 2022, which was 176.1 pence per litre, was also the highest on record. The 12-month rate for motor fuels and lubricants was 31.4%, the highest since before the start of the constructed historical series in January 1989.

These increases are likely to impact on the original forward planning assumptions approved when setting the budget for 2022/23 and Medium Term Financial Strategy (MTFS), and particularly budgets for utility supplies, fuel for fleet vehicles, any contractual obligations linked to CPI uplifts and potentially future pay award for Council staff.

Work continues to assess and review the MTFS as part of the closure of the Councils accounts for 2021/22.

### Borrowing

The Council has an identified a 'prudential' borrowing need to finance its Capital expenditure plans, in the sum of £7.6m, over the plan period to 2024/25.

The increase to Bank Rate during the quarter has affected the borrowing rates on offer from PWLB.

Given the updated cashflow forecast above, the Council's Capital plans, and in accordance with the approved Treasury Management Strategy, the Council continues to assess its borrowing

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	28
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

options and timing of any external borrowing, given the delay to the repayment of sums to Government, and the positive impact on its working capital.

### Interest rate forward predictions

The Council's treasury management advisors, Link, have reviewed their interest rate forecast over the next 12 months following Bank Rate change at the end of Q2, suggestions of future rate rises in the short-term and rising inflation rates.

at 30th Jun 2022	Current Rates	Jun 2022	Sep 2022	Dec 2022	Mar 2022	Jun 2023
<b>Base Rate</b>	1.00%	1.00%	1.75%	2.25%	2.75%	2.75%
<b>25yr PWLB*</b>	3.47%	3.47%	3.70%	3.70%	3.70%	3.70%
<b>25yr PWLB</b>	3.67%	3.67%	3.90%	3.90%	3.90%	3.90%

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

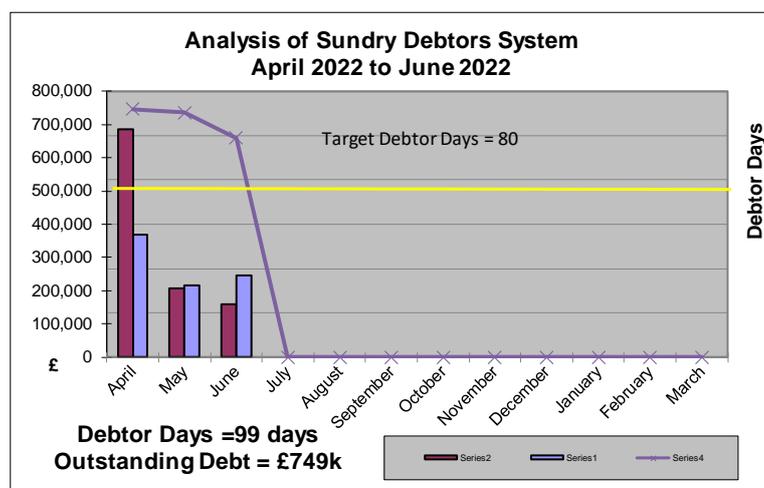
The Council completed the annual application for access to the Certainty rate for 2022/23 to support its Capital borrowing plans on the most favourable terms available.

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

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

At the end of March 2022, the Council received on-account sums in excess of £4m to fund the Government's £150 Energy Rebate Scheme for 2022/23. This resulted in the Council breaching its approved Counterparty limit with its main bankers, Nat West, on 1 April 2022 by c£900k.

### Sundry Debts Monitoring



Invoices raised in the year, to the end of Q1 totalled £1,004k. As at June 22, £173k (17%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 83%.

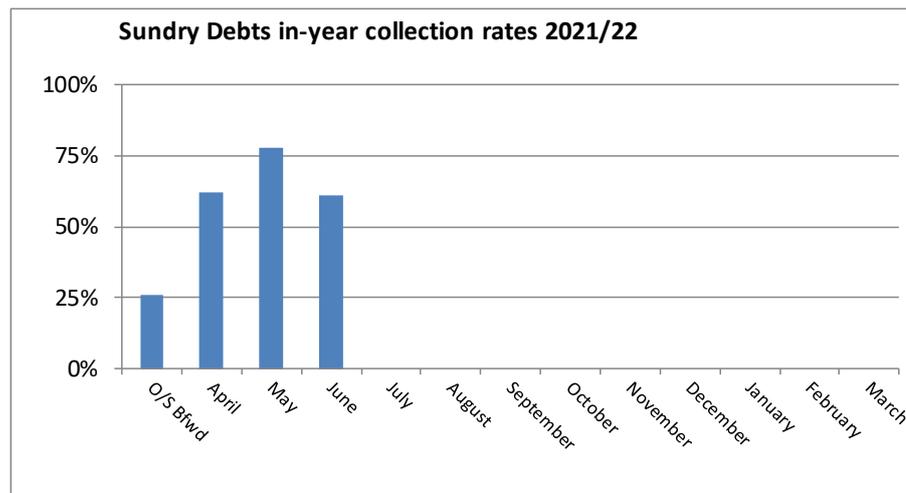
### Housing Rent Debts

Of the £324k of housing rent debts brought forward at April 2022 the Council has a provision of £288.5k brought forward for doubtful debts (89%), leaving a net £36k not currently provided for

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	29
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Doubtful debts



The debtor days in Q1, based on a rolling 12 month average has increased from 94 days to 99 days, for collection of sums due. This figure exceeds the target average of 80 days and is being investigated.

However, this increase is likely to be linked to slower recovery of 'aged' debt, for which the Council has set aside sufficient sums in the event of non-recovery (100%).

The Council will consider any decision to write-off sums in due course following an analysis of recovery attempts eg Debtor has 'gone away' or sums are considered uneconomical to pursue further. Any such decision will be reported to Cabinet in accordance with the Council's Constitution.

Following a significant increase to the level of cover for bad and doubtful debts during 2020/21, the Council has a provision of c84% for debts its considered to be at risk of going unpaid (impairment) and c54% for total debt issued and considered overdue.

Given the subsequent collection performance of Q4 debts into 2022/23, the current level of provision is therefore adequate but will be maintained under review throughout 2022/23, given the ongoing, challenging economic conditions for individuals and businesses.

The general impairment provision carried forward at 31 March 2022 remains at £380.6k, with an additional £5.4k for Licensing debts.

Of the sundry debts below, £26k are held on the Local Land Charges Register.

Debts Outstanding	Mar 2021	Dec 2021	31 Mar 2022	30 Jun 2022		Doubtful Debts	
	£k	£k	£k	£k	£k	rate	value
Earlier Debt	60.2	57.6	65.6		65.6	100%	65.6
2017/18 Debt	19.7	19.9	68.8		68.5	100%	68.5
2018/19 Debt	71.9	71.6	61.2		61.2	100%	61.2
2019/20 Debt	72.8	73.6	26.7		26.3	100%	26.3
2020/21 Debt	138.9	36.4	131.6		126.3	100%	126.3
2021/22 Debt			245.5		94.8	100%	94.8
2022/23 Debt							
Q1 Apr				242.0		75%	0.0
Q1 May				46.0		75%	0.0
Q1 Jun			0.0	62.0	350.0	75%	262.5
<b>Total Debt o/s</b>	<b>363.5</b>	<b>751.3</b>	<b>599.4</b>		<b>792.7</b>		<b>705.2</b>

### Housing Rent Debts

Of the £324k of housing rent debts brought forward at April 2021 the Council has a provision of £288.5k brought forward for doubtful debts (89%), leaving a net £36k not currently provided for.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	30
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Capital

#### Capital Resources

**Table 1 - 2022/23 receipts**

Major Receipts:	Original Budget £000	Year to Date £000	Forecast £000
<b>Capital Receipts</b>			
Land & Property Sales	50	16	50
Obsolete refuse vehicles	50	-	50
<b>Net receipts to table 2</b>	<b>100</b>	<b>16</b>	<b>100</b>

**Table 2 - Useable Capital Resources**

<b>Useable Capital Resources</b>	<b>£ 000</b>
Balance at April 2022	2,975
Capital Grants in 2022/23	1,983
Capital Receipts in 2022/23	16
	<b>4,974</b>
Revenue Contributions	
from Earmarked Reserves	
from Revenue Operations	-
<b>Total Capital Resources 2022/23</b>	<b>4,974</b>
Capital Prog funding applied	(2,300)
<b>Total Capital Resources March 2023</b>	<b>2,673</b>
Capital Receipts Reserve (housing)	-
Capital Receipts Reserve (Whitworth)	100
Capital Receipts Reserve (Haslingden)	236
Capital Receipts Reserve (unalloc)	2,337

#### Current issues

None

#### Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of the funds generated by the sale of Council assets; the balance brought forward at 1<sup>st</sup> April 2022 is £2,975k. This figure is still subject to the implications of the post-audit amendments to the 2017/18 accounts and subsequent years impact and the financing of 2021/22 Capital expenditure.

The original Capital Programme for 2022/23 approved in February was £5,082k, to which £3,802k of slippage was added, relating to projects which were ongoing at the end of 2021/22. This included £2,211k for DFGs.

The original 2022/23 estimate for DFGs included in the programme was £1,000k. The actual grant received for the year was £1,160k, and an additional £160k has been added to the base programme.

There is only one other additional project added to the original plan; £45k for the Marl Pits Running Track.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	31
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

The total grant income expected for the approved capital programme is £1,983k. Current funding for the slippage carried forward into the 2022/23 capital programme consists of a mixture of resources, namely £2,462k of grants, capital receipts and (internal) borrowing. The most effective method of funding the Council's capital programme will be determined by the end of the financial year. Commentary on the projected Capital outturn can be seen on page x.

The total in the Useable Capital Receipts Reserve at the end of 2022/23 is currently expected to be £2,337k. This represents the most effective method of financing the planned Capital spend in 2022/23. It is noted that Capital resources remain earmarked for Whitworth projects (£100k), and Haslingden Regeneration (£236k) respectively and that the Council will assess the most effective method of financing these projects as they fall due.

### Future Issues

Slippage on schemes approved in the 2021/22 programme will be moved into 2022/23 where appropriate, along with the estimated source of financing.

### Capital Programme Spending

Capital Programme 2022/23	Original Cap Prog	Revised Cap Prog	Spent	Full-Year Forecast	Variance (Adv)/Fav	Estimated Slippage	Adj Variance (Adv)/Fav	Indicative Funding Arrangements				
	£000	£000	£000	£000	£000	£000	£000	Grants/Contrib'n	Capital Receipts	Reserves /RCCO	RBC Int Borrow	
<b>Communities Directorate</b>												
IT Software & Equipment	105	104	18	104	-	-	-	-	11	-	93	
Operations	1,047	964	755	964	-	-	-	64	-	900		
Communities	80	8	40	181	(173)	(173)	-	5	23	153		
Housing	1,500	3,876	531	1,300	2,576	2,576	-	800	500	-		
<b>Economic Dev Directorate</b>												
Whitaker Park Museum Refurbishment	-	246	36	246	-	-	-	246	-	-		
Henrietta Street Depot Improvements	206	158	11	158	-	-	-	-	158	-		
Futures Park	-	550	5	550	-	-	-	-	550	-		
Spinning Point Ph1 & 2 (Bus Station)	-	102	-	102	-	-	-	74	20	8		
Property Repairs & Maint	100	218	0	100	118	118	-	-	100	-		
Car Parks General 22-26 MTFS	72	72	4	72	-	-	-	-	50	-		
Stubbylee Skate Park	21	21	125	125	(104)	(104)	-	-	104	-		
Bacup Historic England	484	431	44	431	-	-	-	431	-	-		
Haslingden 2040 NLHF	800	1,300	133	1,300	-	-	-	1,227	-	73		
Rawtenstall Market Electrical Works	-	101	-	101	-	-	-	-	101	-		
Rawtenstall Public Realm Town Square	-	56	28	56	-	-	-	-	56	-		
Hareholme Viaduct	100	100	-	100	-	-	-	-	-	100		
Carbon Reduction Fund	250	496	10	496	-	-	-	-	246	250		
Printer Replacement	30	30	-	30	-	-	-	-	30	-		
Christmas Lighting Catenary	33	33	-	33	-	-	-	-	33	-		
Marl Pits - Running Track	-	45	45	45	-	-	-	-	45	-		
Leisure Facilities Upgrade and Liabilities	254	178	-	154	24	24	-	-	134	20		
	<b>5,082</b>	<b>9,089</b>	<b>1,785</b>	<b>6,648</b>	<b>2,441</b>	<b>2,441</b>	<b>0</b>	<b>2,783</b>	<b>2,225</b>	<b>81</b>	<b>1,559</b>	

Capital Programme 2022/23	£000	Funded by
Original Capital Programme	5,082	
Slippage from 2021/22	3,802	see list
<b>Increase to capital projects in 2022/23</b>		
Marl Pits Running Track	45	Capital Receipt
DFG	160	External Grants
<b>Revised Capital Programme</b>	<b>9,089</b>	

Responsible Section/Team	Financial Services	Page	32
Responsible Author	Finance Manager	Produced	30/06/2022
Dates covered in this review	2022/23 Monitoring	Next review	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Slippage items cfwd at end of 2021/22	Costs '£000	Indicative Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
<b>Communities Directorate</b>					
DFGs	2,211	2,211			
CPOs	5		5		
Vehicles / Equipment	(73)	5			(78)
Wheeled & Litter Bins	(6)		(6)		
Playgrounds (Various)	(143)		(143)		
Cemeteries	18				18
Pathways (Various)	48				48
<b>Sub-total</b>	<b>2,060</b>	<b>2,216</b>	<b>(144)</b>	<b>0</b>	<b>(12)</b>
<b>Economic Development Directorate</b>					
Whitaker Park Museum Refurb	246	246			
Futures Park	550		550		
Spinning Point Ph I & II (Bus Station)	102		20	8	74
Property Repairs & Maintenance	118		118		
Haslingden 2040 NLHF	500				500
Rawtenstall Market Electrical Works	101		101		
Rawtenstall Public Realm Town Square	56		56		
Bacup High St Action Zone	(53)				(53)
Henrietta St Depot Improvements	(48)		(48)		
Leisure Legacy Liabilities (Various)	(76)		(76)		
Carbon Reduction Fund	246		246		
<b>Sub-total</b>	<b>1,742</b>	<b>246</b>	<b>967</b>	<b>8</b>	<b>521</b>
<b>Total</b>	<b>3,802</b>	<b>2,462</b>	<b>823</b>	<b>8</b>	<b>509</b>

### Capital Programme

The original Capital Programme was £5,082k, including £977k for the replacement of Vehicles and Equipment, a provisional estimate of £1,000k for DFGs, and regeneration projects of £1,534k including Bacup High Street and Haslingden 2040.

To this was added slippage of £3,802k from 2021/22, including DFGs, and newer, smaller projects to the sum of £1,591k. A revised estimate for DFGs has been made following confirmation of the 2022/23 grant allocation with a net increase of £160k. An additional project for the Marl Pits Running Track (£45k) has been added. An assessment of the timing of 'spend' has been undertaken as part of the development of the MTFS and cost estimates re-profiled over the medium term. The revised 2022/23 Capital Programme is now estimated at £9,089k. More details are provided in the tables above.

The indicative outturn for the Council's Capital expenditure programme at 31<sup>st</sup> March 2023 is £6,648k. The Council is currently assessing the most cost effective method of financing this expenditure from available resources, namely external grants and contributions, capital receipts and 'prudential' (internal/external) borrowing. The Council's current strategy is to finance expenditure from capital receipts where it is able to do so, in order to limit the future impact upon the Council's Revenue Account e.g. sums set aside for future repayment of loan principal

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	33
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

and interest. However, it is acknowledged that the Council has an underlying need to borrow to finance its capital plans and proceeds from the disposal of assets are a finite resource.

As outlined above, the revised Capital Programme was re-profiled as part of the development of the MTFs, with the likely timing of the expenditure estimated. The actual timing of spend as at 31<sup>st</sup> March 2022 has caused an adverse variation against this estimate which will see future years' estimated spend adjusted to reflect spend being incurred earlier than anticipated.

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

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

### Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2022/23	Revised MRP Required 2022/23	Potential (Additions) / Savings 2022/23
	£000	£000	£000
Corporate	549.6	549.3	0.3
	549.6	549.3	0.3

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

The MRP cost is currently estimated to be on budget.

### Section 106 Receipts Monitoring

<b>Section 106 Agreements 2022/23</b>	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2022	326.6	104.6	770.3	<b>1,201.5</b>
Deposits received in 2022/23			22.3	<b>22.3</b>
Deposits applied in 2022/23	(0.8)	(10.0)		<b>(10.8)</b>
<b>Current Balance</b>	<b>325.8</b>	<b>94.6</b>	<b>792.6</b>	<b>1,213.0</b>

The value of S106 agreements brought forward on the 1<sup>st</sup> April was £1,201.5k. To the end of June 2022, £22.3k of new S106 deposits have been received and £10.8k of monies held have been applied to fund expenditure.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	34
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Section 106 Agreements in detail	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
<b>Balance bfwd at 1st April 2022</b>	<b>326.6</b>	<b>104.6</b>	<b>770.3</b>	<b>1,201.5</b>
Douglas Rd		(10.0)		(10.0)
Scout Moor	(0.8)			(0.8)
Station Rd, Whitworth			22.3	22.3
	<b>325.8</b>	<b>94.6</b>	<b>792.6</b>	<b>1,213.0</b>

### Council Tax & NNDR Collection Rates

Collection Rates	Council Tax					Business Rates				
	2018/19	2019/20	2020/21	2021/22	2022/23	2018/19	2019/20	2020/21	2021/22	2022/23
April	10.41	10.51	10.04	10.90	10.44	11.26	12.22	10.24	8.60	12.78
May	19.72	19.70	18.96	19.70	19.44	18.93	21.07	18.89	16.20	31.81
June	28.79	28.63	27.62	28.70	28.35	27.28	28.68	25.62	24.30	28.16
July	37.97	37.86	36.56	37.66		36.25	37.37	33.92	33.96	
August	47.03	46.90	45.24	46.71		49.93	50.82	48.55	47.63	
September	56.05	56.01	54.29	55.43		58.43	58.34	57.84	56.05	
October	65.32	65.23	63.29	71.16		67.95	67.52	68.97	64.90	
November	74.52	74.78	72.30	78.43		74.77	74.26	77.15	73.09	
December	83.55	83.33	80.90	82.12		83.00	82.70	85.92	81.41	
January	92.72	92.48	89.90	90.96		91.11	90.91	90.17	89.30	
February	94.90	94.60	92.37	93.43		95.73	95.00	93.66	95.13	
March	96.70	96.32	95.72	95.59		98.47	97.78	94.19	98.15	

Collection rates for Council Tax are recovering but are not yet back at pre-pandemic levels with collection performance for 2022/23 slightly below that of 2021/22 (-0.35%). This remains an area of focus into 2022/23 given the 'Cost of Living Crisis' and potential impact on future collection.

For Business Rates however, the situation is harder to gauge as collection rates are distorted by the Covid relief the Government distributed. This has continued into 2022/23 with the retrospective distribution of the CARF relief.

The increase in Business rate collection in May 2022/23 is primarily due to two large rateable value reductions, this will unwind throughout the year as their refunds are processed. However this will have a significant adverse impact on the level of Business Rates the Council receives

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	35
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022



## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

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

RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000
Business Rates Income	A+B	11,291	10,795
RBC Share = 40%		4,517	4,318
less tariff paid to Lancashire Pool		(2,714)	(2,714)
add S31 Grants (for Levy calculation)	E	1,643	1,643
Subtotal		3,446	3,248
RBC Baseline Funding Level used in Budget		2,180	2,180
<b>Surplus for Levy Calculations</b>	<b>F</b>	<b>1,266</b>	<b>1,068</b>
Levy due for non Pool membership 50%		(633)	(534)
Levy payable as Pool member 10% of above		(63)	(53)
<b>Retained Levy through Pool membership</b>	<b>G</b>	<b>570</b>	<b>480</b>

£198k a pooling gain is estimated of £480k. The February 2022 MTFS included a contribution of an estimated pooling gain of £390k, whilst we are still early in the year if the current forecast materialises it will result in a £90k surplus against that income budget.

Central government also gives authorities Section 31 grants to cover small

business reliefs and other government-backed schemes. In the NNDR1 budget submission in January 2022 the estimate for those grants totalled £1,643k.

The table shows the potential impact on the Business Rates Retention Reserve, although it must be noted the reserve includes funds provided by Government to cover the impact of the 2020/21 & 2021/22 Collection Fund deficits arising from the additional Covid reliefs awarded to businesses throughout the pandemic that will not fully unwind until 2023/24.

Business Rates Summary		NNDR1 £000	Q1 £000
Business Rates Surplus/(Deficit) 2021/22	F	1,266	1,068
less Lancashire Pooling Levy	G	570	480
Renewable Energy		183	183
<b>Overall Gain</b>	<b>H</b>	<b>2,019</b>	<b>1,731</b>
Business Rates Retention Reserve Bfwd		5,214	5,214
Business Rates Surplus/(Deficit) 2021/22		(2,346)	(2,346)
Business Rates Cash Surplus/(Deficit) 2022/23 D		0	(198)
Business Rates Surplus/(Deficit) 2020/21	H	2,019	1,731
Less Budgeted Utilisation			(1,918)
<b>Total Retained Business Rates Resources Cfwd</b>		<b>4,887</b>	<b>2,483</b>

Responsible Section/Team	Financial Services	Page	37
Responsible Author	Finance Manager	Produced	30/06/2022
Dates covered in this review	2022/23 Monitoring	Next review	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### Covid Grants 2021/22

Covid Grants	Opening Balance 2022/23 £	Amount Applied Qtr 1 2022/23 £	Commitments including repayments of restricted funds £	Forecast Closing Balance £	Description
LA Covid Support	363,700	(15,155)	(15,900)	332,645	This is to support the Council's Covid related costs and supplement lost income.
Containing Outbreak Management Fund (COMF)	330,505	(25,118)	(305,387)	(0)	Department of Health funding to cover <b>specific</b> expenditure relating to the pandemic. Confirmation has been received that funding can be carried forward into 2022/23, but can only be used Covid related expenditure.
Compliance & Enforcement	18		(18)	(0)	To be spent on Covid compliance & enforcement measures. There is potential that ultimately any unspent funding will have to be returned.
Self Isolation Practical Support	53,294		(53,294)	0	This is to support vulnerable residents whilst they are self isolating - this is not the Track & Trace Self Isolation grants. Includes funding to support core staffing costs as eligible
Public Protection - COVID response	24,265	(244)	(24,021)	(0)	This to support community based surge testing capacity. There is potential that ultimately any unspent funding will have to be returned.
Self Isolation Grants (£500)	(80,500)		80,500	0	This is the balance of funds owed to the Council for the Track and Trace self isolation grant scheme. Reimbursed in Q2.
Emergency Assistance	4,584		(4,584)	(0)	For provision of emergency assistance to members of the community. There is potential that ultimately any unspent funding will have to be returned.
Clinically Extremely Vulnerable	64,187		(64,187)	(1)	To support the Council in delivering support to people shielding and the community hub. There is potential that ultimately any unspent funding will have to be returned.
Lateral Flow Testing Support	(17,847)	17,847		0	Balance of funding owed from Lancashire County Council/DHSC for testing sites, communication and (core) staffing costs. Reimbursed in Q1.
Omicron Hospitality and Leisure Grant	38,012		(38,012)	0	Balance of Covid Business Grant Funding owed to Government
High Street Recovery	0	60,828	(60,828)	(0)	ERDF funding to support High Street Recovery. Grant claimed in arrears based on expenditure incurred.
<b>Total</b>	780,216	38,158	(485,731)	332,643	

Any balances remaining at year end will be moved to reserves to support Covid recovery in future years and are included in the Response and Recovery balances in the Earmarked Reserves section of this report.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	38
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

# Monthly Financial Monitoring Report 2022/23 Q1 June 2022

## 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)

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	39
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

Each full-time post within the Council works 37 hours per week. Part-time posts are expressed in relation to this, for example a post working 4 days a week would be 0.8FTE.

### General Fund

The main revenue fund of the Council.

### Grants Unapplied

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

### Homes and Communities Agency (HCA)

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

### Investments

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

### Link Asset Services (formerly Capita & Sector)

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

### Medium Term Financial Strategy (MTFS)

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

### Minimum Revenue Provision (MRP)

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

### Ministry of Housing, Communities and Local Government (MHCLG)

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

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

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

### Provision

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

### Provisional

Best forecast given current knowledge.

### 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.

<b>Responsible Section/Team</b>	Financial Services	<b>Page</b>	40
<b>Responsible Author</b>	Finance Manager	<b>Produced</b>	30/06/2022
<b>Dates covered in this review</b>	2022/23 Monitoring	<b>Next review</b>	30/09/2022

## Monthly Financial Monitoring Report 2022/23 Q1 June 2022

### 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.

Rossendale Borough Council

PO BOX 74

Bacup

OL13 0WU

T: 01706 217777

E: [generalenquiries@rossendalebc.gov.uk](mailto:generalenquiries@rossendalebc.gov.uk)

آپ کو ان معلومات کا خلاصہ سے صرف میں آج کیسٹ پر، انگریزی کے علاوہ کسی اور زبان میں درکار ہے تو براہ  
مہربانی ہمیں بتائیں، ہم خوشی آپ کے لئے اس کا انتظام کریں گے۔  
ہماری سربراہی 01706 217777 پر ٹیلیفون کریں یا بھرنے کی پیشکشیں سے اس پر رابطہ قائم کریں۔

আপনি যদি এসব তথ্যের সার সংক্ষেপ বড় হরফের ছাপায়, অডিও ক্যাসেটে অথবা ইংরেজী ছাড়া  
অন্য কোন ভাষায় পেতে চান তাহলে অনুগ্রহ করে আমাদেরকে জানালে আমরা অত্যন্ত খুশী মনে  
তার ব্যবস্থা করব।

অনুগ্রহ করে ০১৭০৬ ২১৭৭৭৭ এই নাম্বারে অথবা কমিউনিকেশন সেকশন, টাউন সেন্টার  
অফিস, রটেজটল বি.বি.এ ৭এল.জেড. এই ঠিকানায় যোগাযোগ করুন।

Other formats available on request.

Tel: 01706 217777 or contact:

Rossendale Borough Council

PO BOX 74, Bacup, OL13 0WU

اردو বাংলা

A  
Large  
Print

Tape

CD

Braille

Responsible Section/Team	Financial Services	Page	41
Responsible Author	Finance Manager	Produced	30/06/2022
Dates covered in this review	2022/23 Monitoring	Next review	30/09/2022