

Subject:	Financial Monitoring Report Q3 2023/24	Status:	For Publication
Report to:	Cabinet	Date:	13 th March 2024
Report of:	Chief Finance Officer	Lead Member:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached: No	No
Biodiversity Impact Assessment:	Required: No	Attached: No	No
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1. RECOMMENDATION

1.1 That Cabinet note the content of the Q3 financial monitoring report.

2. EXECUTIVE SUMMARY

- This report provides an indicative estimate of the Council's General Fund Revenue outturn, Collection Fund performance and Capital outturn for the year ended 31 March 2024.
- At 31 December 2023, the Council is estimating a favourable variance of £170.4k against an approved net budget for the year of £10,256k.
- The approved Capital Programme for 2023/24 was agreed in the sum of £5,963k, to this was added prior year slippage of £6,027k, plus new additions of £456k making a revised capital programme for 2023/24 of £12,446k. At the end of quarter 3 the estimated capital outturn for the year is £6,778k. Estimated slippage requirements into 2024/25, including the associated funding sources, currently total £5,668k, this includes £2,520k disabled facility grants.

3. BACKGROUND

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

4. DETAILS

Revenue

4.1 This 2023/24 Q3 monitoring report is forecasting a favourable variance of £170.4k when compared to an original budget of £10,256k.

4.2 The most notable variances are:

- The budget contains a £225k vacancy savings target which is based on potential savings that can be achieved due to additional leave purchase and staff turnover, i.e. the salary saving made between an employee leaving the authority and the new recruit commencing. Staff cost savings are currently estimated to be c£182k to the year-end, this is £43k short of the vacancy savings target of £225k. However, this includes the additional £99k unbudgeted cost of the pay award.
- An adverse outturn variance of c£40k is predicted in relation to income from commercial property rents, and £7.9k from market rents. These shortfalls are being

attributed to the current economic climate, however the property team are actively marketing vacant properties.

- The £42.4k adverse variance within finance includes additional staffing costs and bank charges of c£23k due to the increase in volume of individuals using the Council's electronic payment system. The Council has tendered for its Merchant acquiring services during Q2, the new supplier will be on board mid Q4 which should reduce the adverse variance in future years.
- At Q3 there is a predicted overspend of c£238k within the housing team on temporary accommodation. The team are actively working to reduce this overspend:-
 - However since April there have been 148/people/families housed in temporary accommodation by the housing team
 - Officers are using the additional dispersed accommodation purchased, working with partners and the Empty Homes scheme
 - Two additional dispersed accommodation properties are due to be purchased
 - More favourable rates have been negotiated with a B&B if a resident is placed for more than 6 weeks
 - Responsibility for some families has been reallocated to Children's Services

4.3 Full details and explanations are included in appendix 1.

CAPITAL

4.4 The current estimate of Capital Receipts brought forward at 1st April 2023 totalled £1,931k.

4.5 The value of the budgeted capital scheme expenditure for 2023/24 was £5,963k to which £6,027k slippage has been added. New schemes have been added during the year totalling £456k as set out on page 31 of appendix 1, this includes £160k of additional DFG funding. The revised capital programme for 2023/24 is £12,446k with an indicative outturn of £6,668k.

4.6 Anticipated slippage into 2024/25 is estimated at £5,668k.

TREASURY

4.7 At the end of December 2023 the Council's bank balances were c£15.5m. This is lower than in previous years due to the repayment of circa £6m of Covid monies back to Central Government during 2022/23.

4.8 Increasing interest rates over recent months along with proactive treasury management resulted in the Council increasing its interest income budgets for 2022/23 to £120k from £9k in 2022/23. We are confident that this budget will be exceeded.

4.9 Details are included in Appendix 1.

COLLECTION FUND

4.10 Council Tax collection rates are slightly below the collection rates for the previous two years. Whilst Business Rates collection performance appears to be similar to pre-pandemic levels, the rates are distorted by transitional reliefs given to businesses due to the Business Rates revaluation, which kicked in from April 2023. This remains an area of focus into 2023/24 given the 'Cost of Living Crisis' and potential impact on future collection.

- 4.11 For 2023/24 the Council Tax collection fund is predicting a surplus of £917k, with Rossendale Borough Council's share being £124k.
- 4.12 The NNDR collection fund is predicting a deficit of £605k with the Council's share being £242k.
- 4.13 Current estimates are that the Council will benefit from a NNDR growth gain of £359k and a pooling gain of £323k in 2023/24.
- 4.14 Details are included in Appendix 1.

EARMARKED RESERVES

4.15 The total cash-backed earmarked reserves brought forward at 1st April 2023 were £8,484k (after adjustment for Business Rate relief support repayable to government). The Earmarked Reserves closing balance at the 31 March 2024 are estimated to be £7,562.1k. However, based on current plans and forecast commitments at the time of this report, overall earmarked reserves (including ring fenced funds) are anticipated to reduce to £3,431.4k over the life of the current MTFS (by March 2027), unless additional income and efficiencies are generated.

5. RISK

- 5.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- The cost of goods and services continue to increase. General inflationary increases are being experienced across all contracts that are linked directly to RPI and CPI. High inflation and interest rates are also impacting on the capital programme. On average vehicle replacement costs are running c20% over and above the estimates included in the capital programme. Rising inflation is also having an impact on the construction industry - pushing up costs, increasing tender prices.
 - Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues (eg inflationary pressures and rising living costs) and opportunities, in particular service department net expenditure.
 - Budget setting for future years is now treated as an integral part of financial monitoring during the current year and the impact of variances being reported have been considered by officers when preparing the detailed 2024/25 budgets.
 - The council must explore ways of bridging its forecast annual funding gap. Amongst other things this may include becoming more commercially aware, aiming to grow its resources alongside the challenges to its cost base.
 - If the level of Council Tax support claims increase as a result of the current economic climate or the level of Council Tax bad debt increases, this will have an adverse impact on the income the Council receives.
 - The level of future Government funding is uncertain. The 2024/25 financial settlement is a one year settlement, therefore the level of Government funding beyond 2024/25 is unknown.

6. CONCLUSIONS

- 6.1 Robust monitoring of the General Fund and MTFS is essential to control risks expressed in section 5 above and the Council continues to undertake this.
- 6.2 Since 2010 the Council has seen its central government funding reduced by c£6m pa in real terms. Since that time the Council has reduced its budget requirement accordingly and continues to seek efficiencies and grow income where possible. However, the current economic climate, is making it impossible for the Council to balance its in year income and expenditure.
- 6.3 The Council is continuing its cost reduction programme, however Members are facing increasingly difficult choices in an attempt to balance expenditure with available resources over the medium term, with energy costs, vehicle fuel costs, the inflation rate and the pay award making this more difficult.
- 6.4 The Finance Settlement for 2024/25 was confirmed in February 2024. The settlement provided an increase in core spending power for 2024/25 of 5.9%. The ongoing level of Government funding poses a significant risk to the MTFS.

7. FINANCE

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

8. LEGAL

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

9. POLICY AND EQUALITIES IMPLICATIONS

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

10. REASON FOR DECISION

- 10.1 Cabinet are recommended to note the Q3 monitoring report.

Background Papers	
Document	Place of Inspection
Service monitoring statements	Financial Services

Appendix 1



Financial Monitoring Report

2023/24 as at end of December 2023

Including a Glossary of terms on page 37

Monthly Financial Monitoring Report 2023/24 Q3 December 2023

General Fund Revenue Operations – pages 7 to 21

As the current economic climate is having a significant impact on the Council in Q3, the financial performance has been adverse compared to budget. The full year impact is predicted to result in a favourable variance of £170.4k on the General Fund when compared to the original budget of £10,257k. This will decrease the budgeted call on reserves for the year. The significant budget variations are highlighted on page 4.

Earmarked Revenue Reserves – page 22

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

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

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

The indicative closing balance of earmarked reserves at the 31st March 2024, is estimated at £7,562.1k. The use of earmarked reserves to bridge the funding gap is not a sustainable option. The earmarked reserves figure includes ringfenced sums of £2,054k, this means that the funding was received for specific projects and may be subject to clawback.

Government Grants Unapplied – page 23

The opening value of Government Grants Unapplied at the 1st April 2023 was £2,746k, including £2,577k of Disabled Facilities Grant carried forward into 2023/24 which relates to previous years' slippage. The allocation of Better Care funding for DFGs for 2023/24 is £1,261k, giving total DFG resources available of £3,838.1k.

Staff Monitoring – page 24

The table on page 24 shows the quarter 3 staffing variances compared to actuals. The variance is currently £32k favourable. This includes the pay award which was paid in December 2023. The actual pay award equates to an average 6.21% per person, this is 1.21% higher than the budgeted 5%. The 2023/24 budget includes a £225k salary savings target (£200k vacancy savings and £25k leave purchase).

Treasury & Cash Management - page 25 to 28

At the end of December, the bank balances were £15.6m. These resources continue to be relatively high due to various grant funding, ie LUF, UKSPF fund, etc. Despite recent Bank of England base rate increases, banking institutions are now forecasting falling interest rates within the next six months. Due to the low rates available from banking institutions the Council is balancing the use of instant access accounts with shorter-term 'fixed' deposit facilities, to increase investment return within the scope of the approved Treasury Management Strategy. Fixed deposits are being made with high quality counterparties (Central Government, Local Authorities) where risk is considered low and returns are more closely linked to movement in the prevailing Bank Rate. Interest income is currently expected to exceed the budget for the year.

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

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outstanding and that risk going unpaid is considered adequate at this time (c84% cover) with no further movement proposed. However given the 'Cost of Living Crisis' dominating the headlines, this position will be kept under review.

Capital Receipts – page 31

The balance of capital receipts rolled forward into financial year 2023/24 is £1,931k.

The total estimated value of Capital Grants receivable in the financial year 2023/24 is £2,235k. 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 £1,364k at the end of financial year 2023/24, 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 34

The original Capital Programme for 2023/24 is £5,963k, including an estimate of £1,000k for DFGs and £329k for replacement operational vehicles. The slippage from 2022/23 was £6,027k, including £2,567k for DFG's. An additional £130k has been allocated for the Weir Play Area, and an additional £103k for Tennis Courts at Stubbylee and Whitaker Park. (This money is in the form of a grant from the LTA). There is also an additional £160k for DFGs funded by grant.

The indicative capital outturn at 31st March 2024 is spend in the sum of £6,778k. These figures will be revised later in the financial year.

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

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

The Council Tax account is predicting an in year surplus of £124k for Rossendale.

The **business rates** collection fund is predicting a deficit of £605k in 2023/24, the Council's share of the deficit is £242k. The Council has a Business Rate Retention Reserve to provide for any peaks and troughs in business rate income, therefore this deficit will be charged to the reserve. The reserve also contains funds from Government to cover the additional reliefs granted to business during Covid. Due to the complicated accounting process for business rates these funds have been released from the reserve into the collection fund over three years, of which 2023/24 is the final year.

Although it is anticipated the Council will suffer a collection fund loss, a pooling/growth gain of £682k is estimated. The February 2023 MTFS included a growth/pooling gain contribution of £500k, if the current forecast remains at year end, it will result in a £182k surplus against that income budget, thus contributing towards alleviating pressure on the MTFS.

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Service Area	2023/24 App Budget £000	2023/24 Q3 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,640.7	1,577	63.7	36.4	27.3
Operational Functions	2,163.5	2,086	77.7	10.7	67.0
Parks and Cemeteries	741.2	724	17.6	(8.7)	26.3
Public Protection Unit	184.0	169	15.0	19.8	(4.9)
Environmental Health	149.9	208	(57.7)	(29.9)	(27.9)
Licensing & Enforcement	84.9	114	(29.2)	(42.6)	13.4
Communities Team	130.8	129	2.0	(0.2)	2.2
Economic Development Directorate					
Planning Services	351.2	345	5.8	10.7	(4.8)
Building Control Services	16.8	23	(6.2)	2.9	(9.1)
Regeneration	180.6	154	27.0	16.7	10.3
Property Services	543.4	645	(101.6)	(42.5)	(59.1)
Housing	180.8	419	(238.0)	(255.8)	17.7
Corporate Management Directorate					
Corporate Management	454.4	366.4	87.9	88.9	(1.0)
Legal Services	190.1	182.5	7.5	(1.4)	8.9
Local Land Charges	(12.2)	16.7	(28.9)	(19.2)	(9.7)
Democratic Services	616.9	564.3	52.6	52.0	0.6
Financial Services	766.7	809.1	(42.4)	(41.8)	(0.6)
People and Policy	730.2	704.8	25.4	19.6	5.8
Non Distributed Costs	131.4	147.0	(15.7)	(16.4)	0.8
Capital Financing and Interest	742.0	428.5	313.5	154.9	158.6
Leisure Services	(31.0)	(25.2)	(5.8)	(5.8)	-
Empty Homes Scheme	300.0	300	-	-	-
TOTAL Service Cost	10,256.01	10,085.66	170.4	(51.6)	222.0
Funded by					
Council Tax	(6,278.0)	(6,278.0)	-	-	-
Retained Business Rates	(2,261.0)	(2,261.0)	-	-	-
Funding Guarantee	(290.0)	(290.0)	-	-	-
Revenue Support Grant	(85.0)	(85.0)	-	-	-
Services Grant	(85.0)	(85.0)	-	-	-
New Homes Bonus	(1.0)	(1.0)	-	-	-
Estimated NNDR Pooling Gain	(500.0)	(682.0)	182.0	-	182.0
LESS Estimated use of Reserves	(756.0)	(403.7)	(352.4)	51.6	(404.0)
Net Budget Shortfall	0.0	(0.0)	-	0.0	-

The position at Q3 2023/24 shows a favourable variance of £170.4k.

The main variances are shown below: -

- Income relating to long term, high interest, deposits have matured in this period. This has provided additional income of £170k compared to the annual budget.
- Staff cost savings are estimated to be c£182k to the year-end position, this is £43k short of the vacancy savings target of £225k. However, the estimates include the additional £99k unbudgeted cost of the pay award.
- Fuel 'pump prices' continue to be monitored, the budgets for 2023-24 included a £60k premium for the use of HVO. Due to the increasing differential between HVO and Diesel, in June the decision was taken to switch back to diesel until the two prices were more comparable, therefore, costs should remain within the original budget this year.
- An adverse outturn variance of c£40.4k is predicted in relation to income from commercial property rents, and £7.9k from market rents. These shortfalls are being

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attributed to the current economic climate. The property team are working to eliminate these shortfalls in 2024/25.

- The £42.4k adverse variance within Finance includes additional temporary staffing costs and additional bank charges of c£23k due to the increase in volume of individuals using the Council's electronic payment system. The Council has tendered for its Merchant acquiring services during Q3, and the new supplier will be on board mid Q4 which should reduce the adverse variance in future years.
- In 2023/24 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 Q3 the predicted outturn is that the revenue out-turn will be on budget and the capital underspend circa £300k. This is largely due to recognition of the considerable effort being made by the empty homes team to hand properties back in a timely and correct manner to avoid any future litigation.

Target Efficiency Savings 2023/24

The Council agreed, as part of the 2023/24 Budget processes, a number of Efficiency Targets, including an increase to published fees and charges.

Whilst the indicative outturn position noted above requires a contribution from reserves to balance the 2023/24 budget, the table below summarises efficiency performance against the individual budget headings.

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

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Budget Proposals (Efficiency Targets)	2023-24 £'000	2023-24 £'000	Commentary at Q3
Income Targets	Target	Q3	
Trade Waste net increased income	(21)	33	As at Q3 the estimated income has reduced by £26k at Q2 and a further £7k at Q3 due to competitor activity. Total Shortfall £33k.
Increased Taxi Licence Fees (Subject to Taxi Licencing Committee Approval)	(2)	20	Whilst the fees have been increased the taxi fee income budget is underachieving by £20k
Increased Grant Income	(20)	0	Additional funding had been promised from Together and Active Futures but unfortunately we have been informed that this will not happen.
Garden Waste: Increased Subscriptions	(25)	(22)	As at end Q2 there was a £3k shortfall in garden waste subscriptions and there is no change at Q3. This position is unlikely to change as garden waste is billed annually in advance.
Fees and charges: annual increase in line with inflation	(8)	0	As at end Q3 it is not clear whether the increased fees and charges will generate an additional £8k over all services.
Total Income Targets	(76)	31	
Savings Target			
Promoting Rossendale Budget	(20)	(20)	Budget has been removed and no evidence at end Q3 of any overspends in this area.
Review of Partner Grant Funding	(12)	(12)	Budget has been removed and no evidence at end Q3 of any overspends in this area.
Corporate Contingency	(10)	(10)	Budget has been removed and no evidence at end Q3 of any overspends in this area.
Management Savings Target	(65)	(65)	Budget has been removed and no evidence at end Q3 of any overspends in this area. Saving to be achieved with the restructure at senior level.
Total Savings Target	(107)	(107)	
Growth			
Citizen Access - Customer Portal	34	34	Not yet completed. No anticipated overspend
Kings Coronation Community Grants	10	10	Grants now distributed. No overspend
Total Growth	44	44	
Total efficiencies gained	(139)	(32)	

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Annual Variances	Q1	Q2	Q3	Q4	Total	
	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	Fav/(Adv)	
Communitites Directorate						
Customer Services and e-Government						
Staff costs	(10.4)	(1.0)	0.1		(11.3)	
Additional New Burdens grant	-				-	
Housing Benefit Local Council Tax support grant	10.7	(16.0)	51.2		45.9	
Court costs rewarded	17.3				17.3	
Central IT Costs	8.0	13.5	(27.8)		(6.3)	
Other minor variances	0.4	13.9	3.8		18.1	63.7
Operational Functions Including Parks						
Staff costs (including agency and overtime)	32.7	(98.5)	(0.1)		(65.9)	
Recharges for Overtime to UKSPF		15.0			15.0	
Fuel, Vehicle Maint and Hire		120.0	89.0		209.0	
Parks & Open Spaces	(0.8)	(14.4)	18.6		3.4	
Street sweep running costs	(3.2)	(24.8)			(28.0)	
Garden Waste Income Less Costs	(11.8)	8.4	0.4		(3.0)	
Extra Costs within Refuse	(0.3)	1.4			1.1	
Trade Waste & Bulks Net income	1.0	(26.2)	(7.8)		(33.0)	
Other minor variances	(5.4)	8.7	(6.6)		(3.3)	95.3
Communities Team	50.6	(50.8)	2.2		2.0	2.0
Env'tal Health, PPU, Licensing and Enforcement						
Staff costs	(37.1)	38.8	3.1		4.8	
Income Shortfall	-	(46.9)	(30.1)		(77.0)	
Dog Service Cost Savings	12.4	(4.6)	(7.8)		-	
Extra Costs for Vet Fees etc	(2.0)	(3.4)	19.3		13.9	
Other minor variances	(4.2)	(5.6)	(3.8)		(13.6)	(72.0)
Economic Development						
Staff costs (net of grant & fee income)	116.1	(0.1)	(1.9)		114.1	
Associated Costs with investment into Bacup 2040	(8.9)	(17.1)	-		(26.0)	
Market Income	0.2	(1.8)	(6.3)		(7.9)	
Housing	(306.2)	38.4	30.4		(237.4)	
Planning Consultancy Professional fees	(32.8)	(2.7)	5.5		(30.0)	
Planning Application Fee Income	13.3	6.1	(7.2)		12.2	
Planning Pre-apps	(25.4)	(2.0)	(1.2)		(28.6)	
Building Control Fee Income	(15.2)	(2.1)	(7.0)		(24.3)	
Planning /Building Control misc under/over	(4.5)	(5.2)	(2.2)		(11.9)	
Property Running costs	63.0	5.0	(15.7)		52.3	
Business Rates	26.4				26.4	
Spinning Point bus station	(25.5)	(1.3)			(26.8)	
Estates Income	(32.4)	7.8	(5.7)		(30.3)	
Valuation Fees & Professional Fees	(15.9)	(23.7)			(39.6)	
Futures Park Plot 1& 5	1.5				1.5	
Business Centre rentals	(12.2)	0.6			(11.6)	
Business Centre Cleaning			(10.0)		(10.0)	
Christmas Lights			(7.5)		(7.5)	
Tree Felling	(10.0)	(5.0)	(5.0)		(20.0)	
Knot Weed	(12.0)	(1.0)			(13.0)	
Other minor variances	7.3	9.4	(11.3)		5.5	(312.9)
Corporate Management						
Staff costs	122.0	0.5	17.5		140.0	
Legal income			3.8		3.8	
Legal Professional fees and ref books			4.2		4.2	
Election, Democratic Services and Member costs	(6.5)	1.1	12.2		6.8	
Land Charges income			(26.0)		(26.0)	
Internal and External Audit - Finance	7.3		0.1		7.4	
Leisure Services	(6.0)	0.2			(5.8)	
Bank & Cash Collection Charges	(19.7)	(2.5)	(0.9)		(23.1)	
Training	22.6	(18.7)	5.2		9.1	
Annual Licences			(13.6)		(13.6)	
Other minor variances	(5.2)	(2.8)	1.6		(6.4)	96.3
Non-Distributed Costs & Capital Financing						
Net Interest	156.0		158.7		314.7	
Employee & Pension Costs	34.0	(54.0)			(20.0)	
Other minor variances	(1.0)	3.6	0.6		3.2	297.9
Favourable/(adverse) variance	88.3	(139.9)	221.9	-	170.4	170.4

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Communities Directorate - Customer Services & IT

Period 9 (Dec)

Customer Services & ICT	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q3 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Customer Services							
Benefits Administration	(129.6)	-	(129.6)	(154.6)	25.0	25.7	(0.6)
Benefits Granted	(23.7)	-	(23.7)	(61.6)	37.9	(13.7)	51.6
Local Tax Collection	(378.6)	-	(378.6)	(378.6)	-	-	-
Revenues & Benefits Partnership	1,091.2	-	1,091.2	1,088.4	2.7	2.7	-
Strategic Functions							
Management and Support	82.4	-	82.4	79.5	2.9	1.1	1.8
Service Assurance Team	134.3	-	134.3	125.4	8.9	6.9	2.0
Central Telephones	6.2	-	6.2	2.9	3.3	3.1	0.2
Central Printing	5.5	-	5.5	5.1	0.4	2.9	(2.5)
ICT Support	873.2	(20.0)	853.2	870.7	(17.6)	7.8	(25.3)
Total	1,660.7	(20.0)	1,640.7	1,577.2	63.7	36.4	27.3

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Benefits Admin			
Court fees/fines	17.3	-	17.3
Benefits Granted			
Benefits Admin Subsidy	(5.3)	51.2	45.9
Revenues & Benefits Partnership			
Partnership contracts	2.7	-	2.7
Management and Support			
Other minor variances	1.1	1.8	2.9
Service Assurance Team			
SAT Team counter fraud work	7.5	2.1	9.6
Other minor variances	(0.6)	0.5	(0.1)
ICT Support			
Staff	(11.4)	0.1	(11.3)
Other minor variances	3.1	(0.0)	3.1
Central IT Costs			
Annual Licences	(9.5)	(28.9)	(38.4)
Previous years charge for Citizen access Rev/Ben/Landlord	(81.9)		(81.9)
Income re Recharge of Licences/Telephony/IT Sevices to Capita	107.4	-	107.4
Central Printing	2.9	1.1	4.0
Telephones			
Other minor variances	3.1	(0.6)	2.5
TOTAL	36.4	27.3	63.7

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Customer Service & ICT Highlight Report – Q3 (end December 2023)

Historic Issues

- None.

Current Quarter's Issues

At Q3 the forecast variance is £63.7k favourable, the main changes being: -

- Benefits admin team are anticipating a saving of £17k due to additional grant income and court cost savings.
- Benefits granted are estimated to be making savings of £37k. This is due to additional grant income, relating to Discretionary Housing Payments, of £47k received in the quarter.
 - This has reduced from the estimated over spend of £14k in the previous quarter and will continue to be kept under review.
- 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.
- The upgrade and implementation of the Civica system has incurred costs of £18k. A full review of costs will be carried out throughout the year to review for any items of a capital nature
- The Service Assurance Team has incurred additional costs for professional fees relating to inform CPI costs for rates reviews carried out.
- A review of IT professional subscriptions and licences is carried out throughout the year to check for any potential overspends in this area.
- Income of £139k from Capita, in relation to annual licence charges, has been received and offsets against the expenditure the council incurs in the year

Future Issues

- The Council's contract with Capita includes annual indexation increases linked to the higher of CPI or AWE. In light of the current economic situation and anticipated CPI/AWE rates this will have a significant impact for 2024/25.

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Communities Directorate

Period 9 (Dec)

Operations & Communities	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q3 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Operational Functions							
Operations Admin & Vehicle Maintenance	373.6	-	373.6	433.3	(59.8)	(58.8)	(1.0)
Refuse & Recycling	1,505.0	-	1,505.0	1,353.6	151.4	62.0	89.4
Street Sweeping	284.9	-	284.9	298.8	(13.9)	7.5	(21.3)
Parks & Cemeteries							
Parks & Open Spaces	980.5	-	980.5	963.6	16.9	(7.5)	24.4
Cemeteries	(239.3)	-	(239.3)	(240.1)	0.7	(1.2)	1.9
Communities Team							
Area Forums	115.8	-	115.8	113.7	2.0	(0.2)	2.2
	15.0	-	15.0	15.0	-	-	-
Total	3,035.4	-	3,035.4	2,938.0	97.4	1.8	95.6

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Operations Admin & Vehicle Maintenance			
Operations Efficiency Saving on Henrietta Street	(69.0)	(2.2)	(71.2)
Fleet Management Vacancy and Agency	5.4	(6.8)	(1.4)
Henrietta Street Supplies & Services	(0.3)	9.6	9.3
Henrietta Street - Public Realm Income	-	1.0	1.0
Fleet Running Costs MOTs	5.1	(0.1)	5.0
Refuse & Recycling			
Refuse Salaries and Agency	(4.7)	(2.1)	(6.8)
Fuel Budget Savings	120.0	89.0	209.0
Garden Waste under achieved income	(3.4)	0.4	(3.0)
Trade Waste - income	(25.2)	(7.8)	(33.0)
Other Variances - Supplies & services	1.1	(15.9)	(14.8)
Street Sweeping			
Street Sweeping Salaries and Agency	4.1	(3.0)	1.1
External Funding Staffing Recharge for Overtime	14.5	-	14.5
Other Variances	(28.0)	(1.5)	(29.5)
Parks & Open Spaces			
External Funding Staffing Recharge for Overtime	0.5	-	0.5
Parks Salary Variances (Including temporary gardeners)	5.6	10.1	15.7
Parks Costs	(21.0)	16.3	(4.7)
Parks & Open Spaces S106 and Other Contributions Public Realm	5.8	2.3	8.1
Parks Playing Fields	-	-	-
Cemeteries			
Cemetery Income & Internment Fees	(1.2)	0.5	(0.7)
Other Variances			
Overtime Budgets (net all areas)	(7.3)	4.0	(3.3)
Communities Income not achievable	(11.6)	-	(11.6)
Communities Salaries	11.4	1.8	13.2
TOTAL	1.8	95.6	97.4

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Operations Highlight Report – Q3 – 31st December 2023

Historic Issues

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

Current Quarter Issues

- At the end of Q3, Operations and Communities are forecasting a favourable variance of £97.4k. Staffing costs are now overspent by £48.5k which includes agency and overtime. Some additional funding has been made available from UKSPF to cover overtime for work done in partnership with the Pride Groups. It also takes into account the pay award.

Fleet

- This department are currently 3 members of staff down which in the short term will be covered by Agency staff at a higher cost and offsets any vacancy savings and is currently overspent.

Refuse

- The shortfall in Garden Waste Service Subscriptions at the end of Q3 has fallen from £11.8k in Q2 down to £3.k compared to the budgeted target. The resource costs associated with Refuse have seen increased prices resulting in a number of overspends for some supplies. However, at Q3 the service is almost on budget. The fuel budgets include £60k that was added to enable the fleet to be switched to HVO fuel. However due to the increasing cost of HVO in June the decision was made to revert back to diesel until HVO costs are more aligned to the cost of diesel. Therefore at month 9 fuel costs are underspent, but future fuel prices remain uncertain. We are now forecasting a net saving of £209k to the year end. Fuel costs for the same period to Q3 22-23 were over £100k higher than the current period in 23-24.

Street Sweep

- Due to prices increases within the market, resource costs associated with Street Sweep have overspent by £12.6k. This includes the increased cost of the Weed-killing Service along with Hire Costs associated with the Autumn Season for Equipment for collecting leaves. Overtime has been recharged to the UKSPF for work done on the Britain in Bloom Programme.

Parks

- Parks have underspent in Q3 on staffing and resources by £16.2k. Supplies and service costs on Parks Playgrounds are overspent by £2k due to extra costs for external contractors, resources and playground equipment maintenance.
- Cost of materials for the Playing Fields have also seen inflationary increases, however at Q3 remain within the budget.

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- Extra income has been received for Parks £3k from miscellaneous Contributions.

Cemeteries

- Income contributions at Q3 are steady but some extra costs have been incurred for grave materials exceeding the budget by £8k, but is within overall budget.

The Future

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

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

Communities Directorate

Period 9 (Dec)

Public Protection	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q3 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Public Protection Unit	161.8	22.2	184.0	169.0	15.0	19.8	(4.9)
Environmental Health	194.2	(44.3)	149.9	207.6	(57.7)	(29.9)	(27.9)
Licensing & Enforcement	62.7	22.2	84.9	114.1	(29.2)	(42.6)	13.4
Total	418.7	0.0	418.7	490.7	(72.0)	(52.6)	(19.3)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
PPU			
PPU Staffing	21.5	7.1	28.6
Dog Warden Service Saving	7.8	(7.8)	-
Other Variance	(9.8)	(3.8)	(13.6)
Environmental Health			
Environmental Health - staffing and consultant	13.8	0.6	14.4
Income Shortfall	(28.7)	(28.8)	(57.5)
Climate Change - Contract Extended	(13.0)	(1.7)	(14.7)
Licensing & Enforcement			
Licensing & Enforcement - staffing	(20.6)	(2.9)	(23.5)
Licensing & Enforcement - Income Taxi	(16.2)	(6.2)	(22.4)
Licensing & Enforcement - Income Animals	(2.0)	4.9	2.9
Licensing & Enforcement - Extra Costs for Vet Fees - Less Costs on Licensing	(5.4)	19.3	13.9
TOTAL	(52.64)	(19.3)	(72.0)

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Environmental Health, Public Protection Unit and Licensing and Enforcement Service Highlight Report – Q3 – 31st December 2023

Historic Issues

- Nothing reported.

Current Quarter Issues

- At the end of Q3 Environmental Health, Public Protection Unit and the Licensing and Enforcement budgets are overspent by £72k due to staffing pressures and shortfall in income broken down as follows;

Environmental Health, Licensing and Enforcement

- At Q2 staffing costs were anticipated to overspend by £40k for the year, due to an unbudgeted post. However due to staff turnover and staff moving between teams this has now been resolved and overall forecasted overspend has reduced to £9k.
- Supplies & services are £13.4k underspent on Environmental Health and underspent on Licensing by £16.6k. This is largely because vet fees have been recharged where possible.
- All income streams within Licencing have been compared and reviewed against prior year and forecasts at Q3 have been reduced to account for the reduced amount expected for 2023-24. There is a forecasted shortfall of £20.1k for Taxi Income and £2.3k shortfall for Animal Licensing. Income generation has also suffered within Environmental Health and are experiencing a substantial shortfall of £70.9k, c£37k of this figure was due to the budget being double counted.

Rogue Landlords

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

Public Protection Unit

- The staffing costs are now underspent due to staff turnover generating savings of £28.6k offset against an overspend of £17.2k for Direct Costs..
- The cost of dog services are now forecast to be within budget compared to Q2.
- During the year PPU has received contributions totalling £3.4k.

Future Issues

- Nothing reported.

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Economic Development Directorate

Period 9 (Dec)

Economic Development & Regeneration Services	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q3 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Planning							
Development Control	198.3	-	198.3	195.2	3.1	7.5	(4.4)
Forward Planning	152.9	-	152.9	150.1	2.7	3.1	(0.4)
Building Control							
Building Control - Fee Earning Account	(19.1)	-	(19.1)	(12.5)	(6.6)	2.3	(8.9)
Building Control - Statutory Function	33.0	-	33.0	32.1	0.8	0.8	0.0
Building Control - Street Signs	3.0	-	3.0	3.4	(0.4)	(0.2)	(0.2)
Regeneration							
Economic Regeneration	164.5	-	164.5	129.6	34.9	26.4	8.5
Whitaker Park Museum	20.0	-	20.0	20.0	(0.0)	0.0	(0.0)
Tourism	20.0	-	20.0	20.0	(0.0)	0.0	(0.0)
Markets	(23.9)	-	(23.9)	(16.0)	(7.9)	(9.7)	1.8
Property Services & Facilities Management							
Property Services	97.4	-	97.4	99.2	(1.8)	(0.7)	(1.1)
Corporate Estates	(396.2)	-	(396.2)	(385.8)	(10.4)	(14.3)	3.9
Non Domestic Estates	(129.1)	-	(129.1)	(154.0)	24.9	28.0	(3.1)
Office Accommodation	(25.4)	-	(25.4)	54.9	(80.3)	(78.1)	(2.2)
Operational Properties	487.5	-	487.5	585.5	(98.0)	(18.9)	(79.1)
Leisure Properties	144.8	-	144.8	103.5	41.2	24.1	17.1
Bus Shelters	129.3	-	129.3	173.5	(44.1)	(51.1)	7.0
Business Centre	235.1	-	235.1	168.2	66.9	68.3	(1.4)
Strategic Housing							
Housing Strategy	62.9	-	62.9	43.4	19.5	14.5	4.9
Private Sector Housing Renewals	2.3	-	2.3	(1.3)	3.6	6.6	(3.0)
Homelessness	115.5	-	115.5	376.7	(261.2)	(276.9)	15.7
Total	1,272.8	-	1,272.8	1,585.7	(313.0)	(268.0)	(44.8)

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Key changes made during the period	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
Planning	-	-	-
Forward Planning staffing	3.0	0.6	3.6
Planning staffing	120.2	8.5	128.7
Planning Agency Staff Fees	(36.6)	(7.9)	(44.5)
Planning Consultancy fees/ Legal fees	(59.0)	5.5	(53.5)
20% FBHM to support staffing	-	(1.4)	(1.4)
Planning Application Fee Income	19.4	(7.2)	12.2
Pre-App Income	(27.4)	(1.2)	(28.6)
Other Miscellaneous Variances	(8.3)	(1.9)	(10.2)
Building Control	-	-	-
Building Control staffing	21.0	(1.8)	19.2
Building Control Fees	(17.3)	(7.0)	(24.3)
Building Control - Statutory Function	-	-	-
Building Control - Street Signs	(0.2)	-	(0.2)
Planning /Building Control misc under/over	(1.3)	-	(1.3)
Regeneration	-	-	-
Economic Regeneration Staffing and Costs	44.5	8.9	53.4
Costs recovered for Rawtenstall Market from Play Ltd	7.8	(0.8)	7.0
Associated Costs with investment into Bacup 2040	(25.8)	0.3	(25.5)
Markets Income under achieved	(9.7)	1.8	(7.9)
Whitaker Park Museum	-	-	-
Tourism	-	-	-
Strategic Housing	-	-	-
Housing Strategy Staffing and Costs	12.1	5.0	17.1
Housing Strategy Income	2.4	-	2.4
Private Sector Housing Renewals staffing	7.1	(3.5)	3.6
Private Sector Renewals additional fee income or contribution from Housing reserve	(0.5)	0.5	-
Homelessness Staffing and other costs	38.2	16.3	54.5
Recharge from the Collection Fund for Costs associated with Bed & Breakfast Provision	(315.0)	-	(315.0)
Property Services Team	-	-	-
Property Services staffing / recruitment	(21.8)	-	(21.8)
Pool Car, CCTV, Emergency Planning,	1.0	(2.3)	(1.3)
Corporate Estates	-	-	-
Corporate Estates rental income	(18.1)	(5.7)	(23.8)
Futures Park rental income	5.7	-	5.7
Valuation Fees & Professional Fees	(39.6)	2.3	(37.3)
Operational Properties	-	-	-
Property Running Costs: Repairs & Maintenance	(0.2)	0.2	(0.0)
Gas, Electricity, Water	68.0	(15.9)	52.1
NNDR - excluding Spinning Point bus station	26.4	-	26.4
Estates Income - old Town Hall	-	-	-
Legionella . Asbestos underspend	-	-	-
Tree Felling	(10.0)	(5.0)	(15.0)
Knotweed Treatment	(13.0)	-	(13.0)
Boilers / Alarms / lifts / Clocks &	-	(5.8)	(5.8)
Leisure Properties	-	-	-
Bus Station / Shelters	-	-	-
Spinning Point Bus Station running costs	(20.7)	-	(20.7)
Spinning Point Bus Station - Departure charges	(6.1)	-	(6.1)
Bus Shelters	(7.3)	-	(7.3)
Christmas Lights	-	(7.5)	(7.5)
Business Centre	-	-	-
Business Centre Cleaning	-	(10.0)	(10.0)
Business Centre boiler / alarms / lifts	-	(5.7)	(5.7)
Business Centre rentals	(11.6)	-	(11.6)
Business Centre Fit Tarrif	3.0	-	3.0
Other Miscellaneous Variances	1.7	(3.6)	(2.5)
TOTAL	(268.0)	(44.8)	(313.0)

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Economic Development & Regeneration Highlight Report – Q3 (Dec 2023)

Historic Issues

- None

Current Quarter Issues

Economic Regeneration are currently forecasting a favourable variance of £27k, which is broken down as detailed below: -

- Staff Costs in Economic Development (ED) are underspent by £32.4k due to structural changes. Within ED there are recovery of costs totalling £11.7k and additional income of £12.6k.
- There is projected to be a shortfall on Income for Markets of £7.8k taking into account work due to start at Bacup Market in January 2024.
- There are unbudgeted costs incurred for the Bacup 2040 Future High Street Fund of £25.5k for the running costs for the Barclays Bank Site which includes NNDR and some one-off costs for site works. These costs will cease when the demolition takes place as planning permission has now been granted and works have commenced early in Q4.

Housing are currently forecasting an adverse variance of £237.4k which is broken down as detailed below:-

- Staffing underspends at Q3 have generated £47k of savings however this is offset by Agency staff costing £68.2k. Some of these extra costs may be funded by the Flexible Homelessness Grant (FHG).
- All other budgeted costs at Q3 for resources on Homelessness are underspent by £99k.
- However, there is an overspend on temporary accommodation costs of £315k. This is because housing benefit can only be recovered at the one bed Local Housing Allowance (LHA) rate for bed & breakfast costs incurred during the year. This is a national issue due to the increase in private rental costs and the fact that the LHA rate hasn't increased since 2020. The Housing Team are actively working to reduce this overspend:-
 - However since April there have been 148 people/families housed in temporary accommodation by the housing options team
 - Officers are using the additional dispersed accommodation purchased, work with partners and the Empty Homes scheme
 - Two additional properties have been purchased
 - More favourable rates have been negotiated with a B&B if a resident is placed for more than 6 weeks
 - Responsibility for some families has been reallocated to Children's Services

It must be noted that we don't currently have supported accommodation that provide the necessary service to support people and also would allow us to attract full housing benefit.

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Property Services and Facilities Management is currently showing an adverse variance of £101.6k.

- Salary / recruitment costs are showing an adverse variance of £21.8k.
- Facilities running costs are showing a favourable variance of £52.3k this is mainly due a new gas contract in December at reduced unit costs.
- The estates income is showing an overall adverse variance of £30.3k. The section is seeking new income streams and completing rent reviews to reduce this variance. The adverse variance at Q2 was £24.6k
- Valuation Fees / professional fees are showing an over spend of £39.6k. This includes annual asset valuations and studies on sites within Haslingden and Whitworth
- The Business Centre room hire are projecting an under achievement of £11.6k. Property are looking to increase tenant occupancy which will seek to reduce this deficit.
- Spinning point units are now fully tenanted. There is an adverse rental income of £6.1k in 2023/24. However the rental will meet the set budget in future years.
- Christmas lights have over spent by 7.5k this year. This is due to repairs and electrical works.

Planning & Building Control are showing an adverse variance of £0.3k

- Planning/Forward Planning staffing (inc agency/consultancy) costs are showing a favourable variance of £30k. Planning have 2 vacant posts, assumed recruited to by November 2023 at the grades per budget
- Building Control staffing costs are showing a favourable variance of £20.2k
- The Planning fee income is predicted to be £12.2k over budget, however this is offset by pre-application fees projected to under achieve by £28.6k
- Building Control income are projecting an adverse variance of £24.3k.

Future Issues

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

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Corporate Services Directorate

Period 9 (Dec)

Corporate Management	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q3 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 3 (Adv)/Fav £000
Corporate Management							
Executive Office	380.0	-	380.0	283.2	96.8	91.8	5.0
Corporate Contingency	40.2	-	40.2	40.2	-	-	-
Corporate Subscriptions	34.2	-	34.2	43.1	(8.9)	(2.9)	(6.0)
Legal Services	190.1	-	190.1	182.5	7.5	(1.4)	8.9
Land Charges	(12.2)	-	(12.2)	16.7	(28.9)	(19.2)	(9.7)
Democratic Services							
Electoral Registration	94.7	-	94.7	91.1	3.6	4.6	(1.0)
Elections	88.8	-	88.8	88.8	0.0	0.0	0.0
Democratic Support	367.0	-	367.0	320.2	46.8	43.9	2.9
Mayoralty & Civic Events	63.9	-	63.9	61.6	2.3	3.6	(1.3)
Town Twinning	2.5	-	2.5	2.5	-	-	-
Financial Services							
Treasury Management	220.3	-	220.3	248.2	(27.9)	(22.2)	(5.8)
Insurance, Risk & Audit Fees	64.7	-	64.7	57.2	7.4	3.3	4.1
Financial Services	481.7	-	481.7	503.7	(21.9)	(22.9)	1.0
People & Policy							
Human Resources	481.8	-	481.8	457.2	24.6	18.7	5.9
Corporate Support	244.3	-	244.3	247.6	(3.3)	(3.1)	(0.1)
Publicity	4.0	-	4.0	-	4.0	4.0	-
Leisure Services	(101.0)	70.0	(31.0)	(25.2)	(5.8)	(5.8)	-
Empty Homes Scheme	300.0	-	300.0	300.0	-	-	-
Total	2,945.0	70.0	3,015.0	2,918.6	96.3	92.2	4.0

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
Executive Office			
Salary variances	95.5	5.2	100.7
Other minor variances	(3.7)	(0.2)	(3.9)
Corporate Contingency			
General subscriptions	(2.9)	(6.0)	(8.9)
Legal Services			
Salary variances	(1.1)	0.9	(0.2)
Professional fees	-	4.2	4.2
Legal Income	-	3.8	3.8
Other Legal Misc under/ over	(0.3)	-	(0.3)
Land Charges			
Salary variances	(2.2)	(0.7)	(2.8)
Search Income	(17.0)	(9.0)	(26.0)
Other minor variances	(0.1)	(0.2)	(0.3)
Democratic Services			
Salary variances Elections	5.0	(1.5)	3.5
Other Election Misc under/ over	(0.4)	2.3	1.9
Salary variances Democratic Support	35.0	1.5	36.5
Members Costs	6.8	-	6.8
Other Dem Misc under /over	5.6	(1.5)	4.1
Treasury Management			
Professional fees	-	(4.8)	(4.8)
Bank Charges / Bank interest	(22.2)	(0.9)	(23.1)
Insurance, Risk & Audit Fees			
LCC Audit fees	3.3	4.1	7.4
Financial Services			
Salary variances - Accountants	(2.4)	(4.5)	(6.9)
Salary variances - Exchequer	(19.0)	(1.5)	(20.5)
Other misc under / (over) spends	(1.6)	7.1	5.5
Human Resources			
Salary variances	14.8	18.0	32.8
Authority wide Training	3.9	5.2	9.1
Annual Licences	-	(13.6)	(13.6)
Other minor variances	-	(4.0)	(4.0)
Corporate Support			
Salary variances	(3.1)	-	(3.1)
Publicity	4.0	-	4.0
Leisure	(5.8)	-	(5.7)
TOTAL	92.2	4.0	96.3

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Corporate Management Highlight Report – Q3 (December 2023)

Historic Issues

- None

Current Quarter Issues

The Corporate Management outturn is forecast to be a favourable variance of £96.3k, the main movements being: -

- Staffing cost variances at quarter 3 are £140k favourable:
 - Legal Services – are showing an adverse variance of £0.2k
 - Land Charges – are showing an adverse variance of £2.8k
 - Democratic Services – are showing a favourable variance of £36.5k
 - Elections – are showing a favourable variance of £3.5k
 - Corporate management – savings of £100.7k due to the vacancy of the Director of Communities position.
 - Financial Services – adverse £27.4k linked to the cost of agency staff to support the finance function.
 - HR – is showing a favourable variance of £29.7k
- Local Land Charges income is showing an adverse variance of £26k.
- Members costs are showing an underspend of £6.8k
- Due to the increase in volume of individuals using the Council's electronic payment system bank charges are predicted to be £23k over budget. A new merchant provider has been instructed and will be in place for 2024/25 which should reduce costs going forwards.
- The Empty Homes scheme is predicted to be on budget.

Futures Issues

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

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Corporate Services Directorate

Period 9 (Dec)

Non-Distributed Costs & Capital Financing	2023/24 Orig Budget £000	Virements Budget £000	2023/24 App Budget £000	2023/24 Q3 Outturn £000	2023/24 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr2 (Adv)/Fav £000
Non Distributed Costs							
Employee & Pension Costs	110.2	0.4	110.6	130.6	(20.0)	(20.0)	-
Other Non-distributed Costs	71.2	(50.4)	20.8	16.5	4.3	3.6	0.8
Capital Financing							
Minimum Revenue Provision	599.3	-	599.3	599.3	(0.0)	(0.0)	-
Interest (net)	142.7	-	142.7	(170.9)	313.5	154.9	158.6
Total	923.4	(50.0)	873.3	575.5	297.8	138.5	159.3

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Employee & Pension Costs	-		-
Vacancy control savings target - net	(20.0)		(20.0)
Superann additional years/Contribution to Pension deficit	-		-
Other minor variances	3.6	0.7	4.3
Capital Financing			
Interest Payable	145.0		145.0
Interest Receivable	11.0	158.7	169.7
Other minor variances	(1.1)	(0.1)	(1.2)
TOTAL	138.5	159.3	297.8

Non-Distributed Costs & Capital Financing Highlight Report – Q3 (December 2023)

Historic Issues

- Savings on the pension costs fall into two areas; savings on historical pension costs as former employees pass away and the advance payment of pension costs at a discount, which reduce Council costs.

Current Quarter Issues

- Net interest for the year is currently estimated to have a favourable variance of £171k as per the following:
 - Income relating to longer term, high interest, deposits had matured in this period. On top of this interest from LCC, relating to the previous quarter, was received in this period.
 - Officers have been working hard to maximise interest receivable on the Council's cash balances.
 - Interest payable is below budget by £145k, this budget is linked to the capital programme and assumes the capital programme will fully spend for 2023/24 which would force the Council to borrow.

Future Issues

The 'Cost of Living Crisis' continues to dominate headlines and continues to impact on the cost of supplies and services.

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Local Business Rates Retention Reserve	Transitional Budgetary Support	Response & Recovery Reserve	Rawtenstall Bus Station	Directorate Reserves	General Reserves	Total Reserves
Balance at 01/04/2023	1,028.0	3,063.0	709.0	500.0	2,184.0	1,000.0	8,484.0
Funds Received 2023/24							
Collection Fund							0.0
Collection Fund - S31 Grants (NNDR3)							0.0
Collection Fund - Renewable Energy (NNDR1/3)	228.0						228.0
Business Rates Pooling net gain							0.0
New Homes Bonus		1.0					1.0
Services Grant		85.0					85.0
Funding Guarantee		290.0					290.0
Other Revenue income received							0.0
Total Funds Available	1,256.0	3,439.0	709.0	500.0	2,184.0	1,000.0	9,088.0
2023/24 Published Budget Utilisation							
Retained Business Rates	(122.0)						(122.0)
New Homes Bonus		(1.0)					(1.0)
Services Grant		(85.0)					(85.0)
Funding Guarantee		(290.0)					(290.0)
General budget support		(403.7)					(403.7)
2023/24 Other Utilisation Plans							
Transfers between Reserves							0.0
Other Commitments			(307.0)		(317.2)		(624.2)
Total Utilisation Commitment	(122.0)	(779.7)	(307.0)	0.0	(317.2)	0.0	(1,525.9)
Reserve Estimates 31/3/2024	1,134.0	2,659.3	402.0	500.0	1,866.8	1,000.0	7,562.1
Future Contributions/Utilisation Plans							
2024/25 Plans		(162.0)	(402.0)		(290.1)		(854.1)
2025/26 Plans		(1,246.0)			(345.9)		(1,591.9)
2026/27 Plans		(699.0)			(552.8)		(1,251.8)
2027/28 Plans		(348.0)			(84.8)		(432.8)
Potential Reserve Balances	1,134.0	204.3	0.0	500.0	593.1	1,000.0	3,431.4

Current issues

The reserve balances as at 1st April 2023 is £8,484k as detailed above and of this balance c£2,054k is ringfenced. The February 2023 MTFS included plans to fund the 2023/24 budget gap of £756k. As noted on page 2, the forecast is favourable at Q3, along with a forecast additional pooling gain of £182k this will reduce the contribution required from the Transitional Reserve to support the budget to £403.7k, a reduction of £352.4k.

It must be noted that the use of reserves to bridge the funding gap is not sustainable.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	UK Shared Prosperity Grant (Revenue)	UK Shared Prosperity Grant (Capital) *	Total
	£000	£000	£000	
Balance at 01/04/2023	2,577.0	153.0	16.0	2,746.0
New Funds Received 2023/24				
Grant due/received	1,261.3	557.0	85.0	1,903.3
Total Funds Available	3,838.3	710.0	101.0	4,649.3
Utilisation in 2022/23				
DFGs Outturn 2023/24	(1,261.3)			(1,261.3)
UKSPF Revenue & Capital Allocations		(710.0)	(101.0)	(811.0)
Anticipated Balance 31/03/2024	2,577.0	0.0	0.0	2,577.0
Future Utilisation Plans				
2024/25 plans	(1,077.0)			(1,077.0)
2025/26 plans	(1,500.0)			(1,500.0)
Potential Reserve Balances	(0.0)	0.0	0.0	(0.0)

In addition to the £2,577k of unspent DFG grant brought forward into 2023/24, the 2023/24 allocation of £1,160k and £101.2k has been paid to RBC from LCC, giving total DFG resources of £3,838.3k. For the purpose of the above table, future utilisation plans recognise an estimated profile of DFG grants received to date only, and do not include estimation of any future receipts from the Better Care Fund. The Council's approved Medium Term Capital Strategy assumes DFG grant receipts in the sum of £1,000k per year over the plan period. The total allocation for DFG for the Council for 2023/24 is again £1,160k plus a further supplementary payment of £101.2k as above. Nothing further is expected from LCC for 2023/24.

The council has been granted a share of the UK Shared Prosperity Funds between 2022/23 – 2025/26, over 3 years. As at 01/04/2023 there were brought forward balances on the UKSPF for both Revenue and Capital of £153k and £16k respectively. There will be funds received over the next 2 years and to date we have receipted £557k on Revenue and £85k on Capital. The table above shows how this will be used during 2023/24.

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Staff Costs, including agency

Net Employment Costs 2023/24 to end Dec 2023	YTD		YTD	Variance	Change	FTE	FTE	Current Vacant Posts
	Budget	YTD Actual	Variance	last Qtr	this Qtr	Original	Changes	
	£000	£000	(Adv)/Fav £000	(Adv)/Fav £000	(Adv)/Fav £000	Budget 2023/24	during 2023/24	
Communities Directorate								
Customer Services	264	285	(21)	(5)	(16)	7.8	0.0	0
Operations Service	1,476	1,539	(63)	(4)	(59)	53.0	0.0	3.5
Parks & Cemeteries	575	594	(19)	14	(33)	22.0	0.0	0
Public Protection Unit	125	109	16	12	5	5.0	0.0	0
Environmental Health	157	164	(7)	6	(13)	6.0	0.0	0
Licensing & Enforcement	122	139	(17)	(14)	(3)	3.0	0.0	0
Communities Team	69	71	(1)	8	(10)	2.0		0
Economic Development Directorate								
Planning Services	433	368	65	49	16	11.8	0.0	3
Building Control Services	111	97	15	12	2	4.0	0.0	1
Regeneration	162	138	24	17	7	8.5	0.0	0
Property Services	82	96	(14)	(7)	(8)	2.9	0.0	0
Housing	288	301	(12)	19	(32)	8.5	0.0	0
Corporate Services								
Corporate Management	280	211	69	43	26	3.0	0.0	1
Legal Services	130	130	0	3	(3)	3.0	0.0	0
Local Land Charges	35	37	(2)	(0)	-	1.5	0.0	0
Democratic Services	196	170	26	23	3	5.5	0.0	1
Financial Services	395	420	(25)	(11)	(13)	11.0	0.0	0
People & Policy	530	491	39	46	(7)	18.2	0.0	1
Empty Homes	19	60	(40)	-	(40)	2.0	0.0	0
Total Net Underspend	5,451	5,420	32	210	(177)	178.7	0.0	10.5

The net employee underspend at Q3 is £32k. This now includes the pay award that was paid in December. The budget included a 5% uplift for the pay award, however the average increase is 6.21%, therefore it was estimated the additional full year cost is c£99k and the movement between Q2 and Q3 £137k which includes additional agency costs. The vacancy savings target for the year is £225k. Due to the additional cost of the pay award, this will not be achieved.

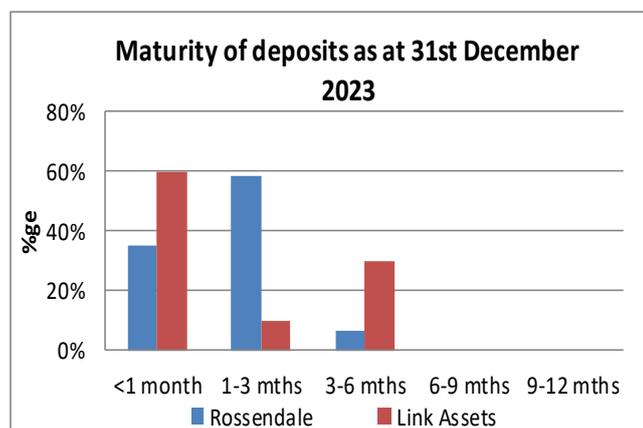
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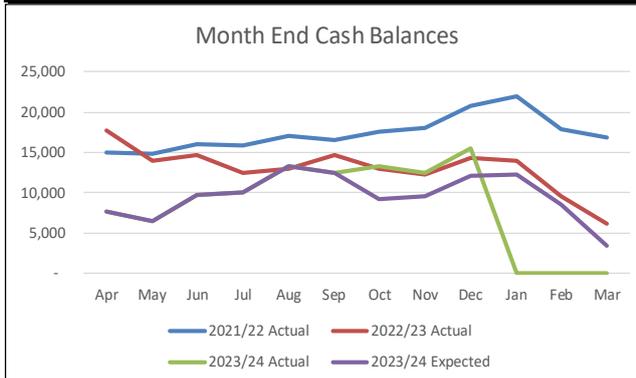
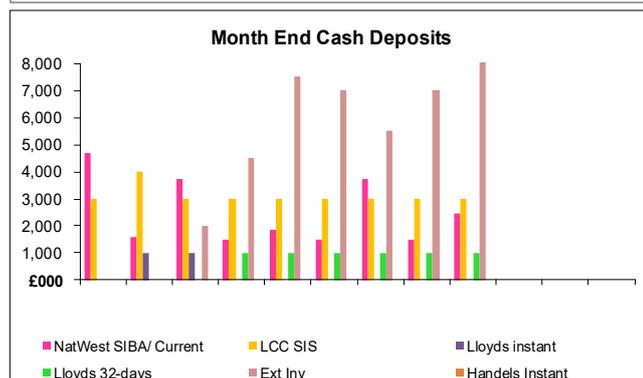
Treasury Management & Cash Flow Monitoring

At the end of December the bank balances were £15.6m. This is comparative to previous years when the balance as at 31 December 2022 was £14.3m.

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



Balances & Interest Rates at 31/12/2023	Avg	
	Current Balance £k	Interest Rate %
NatWest SIBA	2,472	0.10
Lancashire CC Call	3,000	5.00
Handelsbanken instant	-	0.00
External Investments	9,000	5.21
Lloyds instant access	-	5.14
Lloyds 12mth Deposit	1,000	5.20
Total Bal & Avg interest	15,472	4.35



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

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

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

As per the commentary above, the Council is taking a more proactive approach to fixed and longer-term investments for a smaller proportion of its surplus balances. In accordance with the approved Treasury Management Strategy, these deposits will be placed with high quality

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Counterparties eg Central Government, Other Local Authorities. The strategy is considered prudent in the context of CIPFA's Prudential Code which prioritises Security and Liquidity over Yield (SLY).

At 31st December 2023, the Council's portfolio mix consists of £3m in an LCC call account, £1m in a Lloyds instant access account, £9m on deposit with the DMO for up to 3 months and liquid funds of £2.6m.

Interest Forecast	Budget 2023/24	Forecast 2023/24	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLB)	(127.0)	(120.0)	7.0	7.0
Other interest payable	(1.0)	2.4	3.4	3.4
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	9.0	195.0	186.0	186.0
Net Interest	(119.0)	77.4	196.4	196.4

The average effective interest rate at the end of Q3 was 4.35%, however the majority of funds were held in accounts generating above 5% in interest.

Interest Received

The budget for interest received in 2023/24 is £120k, current estimates are that the outturn will be in excess of £200k. Interest rates are predicted to begin to fall and council officers will continue to seek the best available rates.

Economic Outlook

(Released January 2024)

The Consumer Prices Index rose by 4.2% in the 12 months to December 2023, down from 6.2% in October. The largest downward contributions to the annual CPI inflation rate in December 2023 came from Transport and the largest increase was from Alcohol and Tobacco.

Average petrol prices stood at 140.6 pence per litre in December 2023, compared with 153.2 pence per litre a year earlier. The average price of diesel in December 2023 was 151.9 pence per litre compared with 175.9p per litre a year earlier. The 12-month rate for motor fuels and lubricants a reduction of 9.7%, down from an increase of 34.8% a year previous, which was the highest since before the start of the constructed historical series in January 1989.

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

Borrowing

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

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

Given the updated cashflow forecast above, the Council's Capital plans, and in accordance with the approved Treasury Management Strategy, the Council continues to assess its borrowing options and timing of any external borrowing, given the delay to the repayment of sums to Government, and the positive impact on its working capital.

Interest rate forward predictions

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

Interest Rate Forecasts								
Bank Rate	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Link	5.25%	5.25%	5.25%	5.00%	4.50%	4.00%	3.50%	3.25%
Cap Econ	5.25%	5.25%	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%
5Y PWLB RATE								
Link	5.00%	4.90%	4.80%	4.70%	4.40%	4.20%	4.00%	3.80%
Cap Econ	5.10%	4.90%	4.70%	4.50%	4.20%	4.20%	4.10%	4.00%
10Y PWLB RATE								
Link	5.10%	5.00%	4.80%	4.70%	4.40%	4.20%	4.00%	3.80%
Cap Econ	5.10%	4.90%	4.70%	4.50%	4.30%	4.30%	4.30%	4.30%
25Y PWLB RATE								
Link	5.50%	5.30%	5.10%	4.90%	4.70%	4.50%	4.30%	4.20%
Cap Econ	5.40%	5.10%	4.90%	4.60%	4.40%	4.50%	4.60%	4.70%
50Y PWLB RATE								
Link	5.30%	5.10%	4.90%	4.70%	4.50%	4.30%	4.10%	4.00%
Cap Econ	5.20%	5.00%	4.80%	4.60%	4.40%	4.50%	4.50%	4.60%

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 2024/25 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 2023/24 was approved by Council on 28th February 2023.

Prudential Indicators

The updated Prudential Indicators – taking into account the Q3 Monitoring position are shown below.

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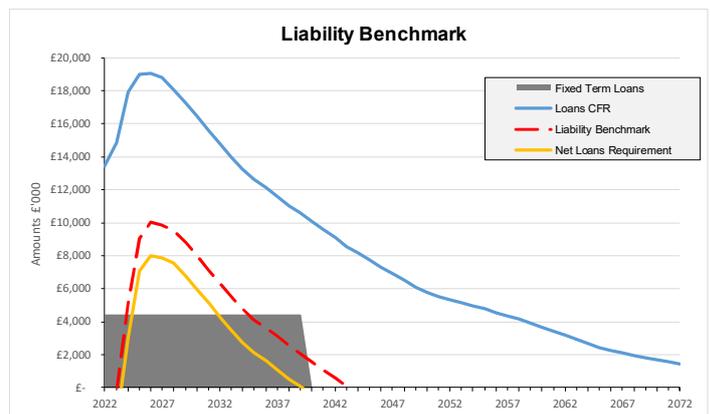
Capital Expenditure	Original 2023/24 £'000	Q3 Revised 2023/24 £'000
Operations & Communities	594	1,681
Corporate Services & Buildings	524	1,057
Housing	1,500	1,774
Regeneration	3,095	2,016
Climate change	250	250
Total	5,963	6,778

CFR	Original 2023/24 £'000	Q3 Revised 2023/24 £'000
Total CFR	19,542	17,585

Financing of Capital Expenditure	Original 2023/24 £'000	Q3 Revised 2023/24 £'000
Capital Receipts	200	715
Capital Grants	2,297	3,442
S106		496
Capital Reserves	-	-
Earmarked Reserves	-	-
Total in-year resources	2,497	4,653
Net Financing need for year	3,466	2,125

Operational Boundary & Authorised Limit	Original 2023/24 £'000	Q3 Revised 2023/24 £'000
Operational Boundary	20,500	20,500
Authorised Limit	22,500	22,500

Ratio of financing costs to net revenue stream	Original 2023/24 £'000	Q3 Revised 2023/24 £'000
Interest Payable - Services	274	127
Interest Receivable	(120)	(131)
Net cost of capital	154	(4)
Net Revenue Stream	10,227	10,227
Ratio of financing costs to net revenue stream	1.51%	-0.04%

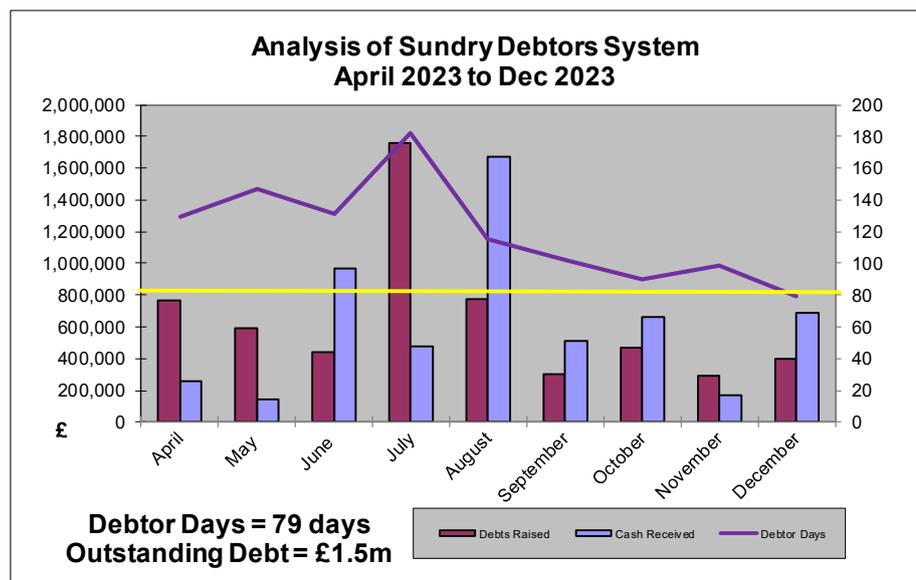


Sundry Debts Monitoring

Invoices raised in the year, to the end of Q3 totalled £5,805k. As at December 2023, £874k (15%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 85%.

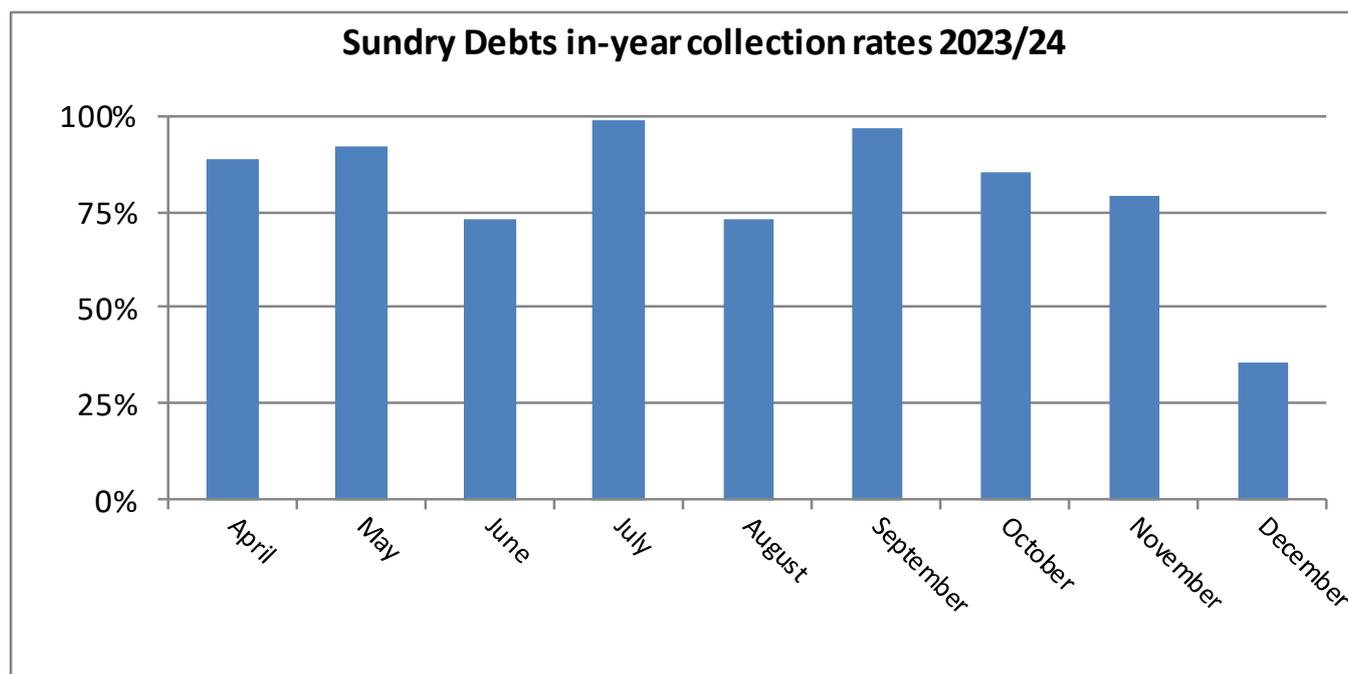
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Empty Homes Debts

Of the £662k of Empty Home debts brought forward at April 2023 the Council has a provision of £288.5k brought forward for doubtful debts (43%), leaving a net £373k not currently provided for.



Doubtful debts

The debtor days in Q3, based on a rolling 12 month average has decreased from 131 days to 79 days, for collection of sums due. This figure is below the target average of 80 days and will continue to be monitored.

The Council has set aside sufficient sums in the event of non-recovery (100%) of 'aged' debt. The Council will consider any decision to write-off sums in due course following an analysis of recovery attempts eg Debtor has 'gone away' or sums are considered uneconomical to pursue

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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 Q3 debts into 2023/24, the current level of provision is therefore adequate but will be maintained under review throughout 2023/24, given the ongoing, challenging economic conditions for individuals and businesses.

The general impairment provision carried forward at 31 March 2023 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 2023	Jun 2023	Sept 2023		31 Dec 2023		Doubtful Debts at 31 Dec 2023	
	£k	£k	£k	£k	£k	£k	Rate	Value
Earlier Debt	54.7	54.7		54.7		54.5	100%	54.5
2017/18 Debt	64.5	64.5		63.6		63.6	100%	63.6
2018/19 Debt	59.9	59.7		57.5		57.5	100%	57.5
2019/20 Debt	23.7	21.4		20.0		19.8	100%	19.8
2020/21 Debt	116.8	112.4		112.2		111.7	100%	111.7
2021/22 Debt	87.2	56.2		46.8		41.5	75%	31.1
2022/23 Debt	1,420.3	361.6		324.8		92.7	50%	46.4
2023/24 Debt :		771.1		1,096.0		487.9	15%	73.2
Q3 Oct						68.6	15%	10.3
Q3 Nov						60.7	15%	9.1
Q3 Dec						256.9	15%	38.5
Total Debt o/s	1,827.1	730.5		1,775.6		1,315.4		515.7

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Capital

Capital Resources

Table 1 - 2023/24 receipts

Major Receipts:	Original Budget £000	Year to Date £000	Forecast £000
Capital Receipts			
Land & Property Sales	50	33	50
Obsolete vehicles and kit	50	(0)	50
Net receipts to table 2	100	32	100

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2023	1,931
Capital Grants in 2023/24	2,235
Capital Receipts in 2023/24	32
	4,199
Revenue Contributions	
from Earmarked Reserves	
from Revenue Operations	124
Total Capital Resources 2023/24	4,323
Capital Prog funding applied	(715)
Total Capital Resources March 2024	3,608
Capital Receipts Reserve (housing)	-
Capital Receipts Reserve (Whitworth)	100
Capital Receipts Reserve (Haslingden)	236
Capital Receipts Reserve (unalloc)	3,272

Current issues

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

Financing the Capital Programme

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

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

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

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

The total in the Useable Capital Receipts Reserve at the end of 2023/24 is currently expected to be £1,371k. This represents the most effective method of financing the planned Capital spend in 2023/24. It is noted that Capital resources remain earmarked for Whitworth projects (£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 2023/24 programme will be moved into 2024/25 where appropriate, along with the estimated source of financing.

Capital Programme Spending

Capital Programme 2023/24	Original Cap Prog	Revised Cap Prog	Spent	Full-Year Forecast	Variance (Adv)/Fav	Estimated Slippage	Adj Variance (Adv)/Fav	Indicative Funding Arrangements				
	£000	£000	£000	£000	£000	£000	£000	Grants/Contrib'n	Capital Receipts	S106/Reserves/RCCO	RBC Int Borrow	
Communities Directorate												
IT Software & Equipment	14	117	114	124	(7)	(7)	-	-	-	-	124	
Operations	399	399	833	818	(419)	(419)	-	-	715	-	103	
Communities	365	699	491	732	(33)	(33)	-	487	-	55	190	
Housing	1,780	4,616	1,339	1,786	2,830	2,830	-	1,207	-	329	250	
Economic Devt Directorate												
Stubbylee Hall	-	0	4	4	(4)	(4)	-	-	-	-	4	
Henrietta Street Depot Improvements	0	127	101	100	27	27	-	-	-	-	100	
Futures Park	-	525	233	252	273	273	-	-	-	-	252	
Spinning Point Ph1 & 2 (Bus Station)	-	20	-	0	20	20	-	-	-	-	-	
Property Repairs & Maint	100	43	54	55	(12)	(12)	-	-	-	-	55	
Environ Improvement Programme (PRIDE)	0	0	1	2	(2)	(2)	-	-	-	-	2	
Car Parks General 22-26 MTFS	60	110	10	67	43	43	-	-	-	-	67	
The Ashworth, Civic Hall Whitworth	0	17	21	21	(4)	(4)	-	-	-	-	21	
Stubbylee Skate Park	0	42	42	42	-	-	-	-	-	-	42	
Bacup Historic England	285	350	104	285	65	65	-	285	-	-	-	
Haslingden 2040 NLHF	725	1,980	249	250	1,730	1,730	-	250	-	-	-	
Rawtenstall Town Square Public Realm	0	0	9	9	(9)	(9)	-	9	-	-	-	
Museum Improvements	0	4	22	22	(18)	(18)	-	-	-	-	22	
Mechanics Hall, Bacup	0	100	102	102	(2)	(2)	-	51	-	-	51	
Haslingden Market (UKSPF)	0	50	58	58	(8)	(8)	-	58	-	-	-	
Rawtenstall Market Electrical Works	-	101	-	0	101	101	-	-	-	-	-	
Rawtenstall Market External Cabins	-	6	6	6	-	-	-	-	-	-	6	
Stubbylee Tennis Courts	-	22	22	22	-	-	-	22	-	-	-	
Whitaker Park Tennis Courts	-	81	108	111	(30)	(30)	-	88	-	-	23	
Hareholme Viaduct	0	100	417	417	(317)	(317)	-	-	-	-	417	
Carbon Reduction Fund	250	627	97	250	377	377	-	21	-	-	229	
Christmas Lighting Catenary	0	33	31	33	-	-	-	-	-	-	33	
Marl Pits - Running Track	-	0	(1)	0	-	-	-	-	-	-	-	
Leisure Facilities Upgrade and Liabilities	185	477	75	170	307	307	-	36	-	-	134	
Levelling Up Projects	1,800	1,800	579	1,040	760	760	-	1,040	-	-	-	
	5,963	12,446	5,120	6,778	5,668	5,668	0	3,554	715	384	2,125	

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Capital Programme 2023/24	£000	Funded by
Original Capital Programme	5,963	
Slippage from 2022/23	6,027	See list
New capital projects in 2023/24		
Weir Play Area	130	Grant / Capital Receipts
Stubbylee Tennis Courts	57	External Grants
Whitaker Park Tennis Courts	46	External Grants
DFGs	160	External Grants
Clare House	9	Revenue Contribution
Mechanics Hall	50	External Contribution (50%)
Moller Ring	4	External Funding
Revised Capital Programme	12,446	

Slippage items cfwd at end of 2022/23	Costs '£000	Indicative Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Customer Services & IT					
Digital Access	73	-			73
Printer Replacement	30				30
Communities Directorate					
Playgrounds (Various)	5				5
Cemeteries	15				15
Pathways (Various)	34				34
Car Parks Improvements	50				50
Victoria Park Improvements	22				22
Moller Ring Play Area Project	160	129		31	
Henrietta St Depot Improvements	115				115
Sub-total Communities	504	129	-	31	344
Economic Development Directorate					
Carbon Reduction Fund	377				377
Edgeside Tennis Courts	34	34			
Futures Park	525	157			368
Haslingden 2040 NLHF	1,255	1,255			
Bacup High St Heritage Action Zone	65	65			
Spinning Point Ph I & II (Bus Station)	20				20
Property Repairs & Maintenance	65				65
Christmas Lighting Catenary	33				33
Rawtenstall Market Electrical Works	101				101
Rawtenstall Market External Cabins	6				6
Stubbylee Skate Park	42				42
Whitaker Drainage	25	25			
Hareholme Viaduct	100				100
Leisure/Legacy Liabilities (Various)	208				208
Sub-total Econ Devmt	2,856	1,536	-	-	1,320
DFGs	2,567	2,567			
Supported Accommodation	100			100	
Sub-total Housing	2,667	2,567	-	100	-
Total	6,027	4,232	-	131	1,664

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Capital Programme

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

To this was added slippage of £6,027k from 2022/23 (including DFGs). A revised estimate for DFGs has been made following confirmation of the 2023/24 grant allocation with a net increase of £160k. Additional projects have been added in respect of the Weir Play Area (£130k), Stubbylee Tennis Courts (£57k) and Whitaker Park Tennis Courts (£46k). 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 2023/24 Capital Programme is now estimated at £12,446k. More details are provided in the tables above.

The indicative outturn for the Council's Capital expenditure programme at 31st March 2024 is £6,778k. 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 and interest. However, it is acknowledged that the Council has an underlying need to borrow to finance its capital plans and proceeds from the disposal of assets are a finite resource.

As outlined above, the revised Capital Programme was re-profiled as part of the development of the MTFs, with the likely timing of the expenditure estimated. The actual timing of spend as at 31st March 2024 has caused an adverse variation against this estimate which will see future years' estimated spend adjusted to reflect spend being incurred earlier 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	Revised MRP Required	Potential (Additions) / Savings
	2023/24	2023/24	2023/24
	£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.

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Section 106 Receipts Monitoring

The value of S106 agreements brought forward on the 1st April was £1,196.2k. To the end of December 2023, £52.8k of new S106 deposits have been received and £110.1k of monies held have been applied to fund expenditure.

Section 106 Agreements	Third Party	RBC Revenue	RBC Capital	
2023/24	Projects	Projects	projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2023	322.3	84.9	789.0	1,196.2
Deposits received in 2023/24	16.3		36.5	52.8
Deposits applied in 2023/24	(6.3)	(10.0)	(189.6)	(205.9)
Current Balance	332.3	74.9	635.9	1,043.1

Section 106 Agreements in detail	Third Party	RBC Revenue	RBC Capital	
	Projects	Projects	projects	Total Held
	£000	£000	£000	£000
Balance b fwd at 1st April 2023	322.3	84.9	789.0	1,196.2
Station Rd			(2.3)	(2.3)
Douglas Rd, Bacup		(10.0)		(10.0)
Land off Oaklands Dr, Rawtenstall			(91.1)	(91.1)
Horse & Jockey, Edenfield			(0.4)	(0.4)
Johnny Barn Close			14.6	14.6
Scout Moor	(6.3)			(6.3)
Scout Moor wind farm	16.3			16.3
Rear of 85 Grane Rd			21.9	21.9
Holmfield House			(25.5)	(25.5)
Land off Oaklands Dr, Rawtenstall			(70.3)	(70.3)
	332.3	74.9	635.9	1,043.1

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Collection Fund Monitoring

Council Tax & NNDR Collection Rates

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

Collection rates for Council Tax are recovering but are not yet back at pre-pandemic levels with collection performance for 2023/24 slightly below that of 2022/23 (-0.25%). This remains an area of focus into 2023/24 given the 'Cost of Living Crisis' and potential impact on future collection.

For Business Rates however, the situation is harder to gauge as collection rates were distorted in 2022/23 by the Covid relief the Government distributed. 2023/24 are also distorted by the transitional reliefs given to businesses due to the Business Rates revaluation, which kicked in from April 2023.

Council Tax Collection Fund

At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £917k. This includes a £500k contribution for doubtful debts. It must be noted, this is only a reflection of the position at a moment in time and based on the current economic climate this position could change significantly as the year progresses. This year RBC's share of the Council Tax is 13.56%, equating to £124k of the forecast surplus.

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

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Local retention of Business Rates (NNDR)

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

The business rates collection fund is now predicting a deficit of £605k in 2023/24, the Council retains a local share of any surplus or deficit arising at year-end from activity on the fund, in the sum of 40%, thus the Council's share of the deficit is £242k. This is largely due to a number of successful business rates appeals relating to several smaller businesses, which have resulted in reducing their

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

rateable values significantly, backdated to 2017. Whilst there is an appeals provision within the Collection fund to cover the cash refund due, the rateable value reduction will adversely affect the Council's in-year cashflow, because although the net liability due from the businesses has decreased, under existing legislation, the Council is required to make good its payments to major preceptors as originally assumed, despite a reduction in Collection Fund income.

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

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

fund loss of £220k, a pooling/growth gain is estimated of £682k. The February 2023 MTFS included a contribution of an estimated growth/pooling gain of £500k, if no substantial movement in Q4 this will result in a £182k surplus against that income budget.

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

* Not available to use until 2025/26

The table above 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 2021/22 Collection Fund deficit arising from the additional Covid reliefs awarded to businesses throughout the pandemic that will not fully unwind until the end of 2023/24.

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Glossary

Accrual

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

Capital expenditure

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

Capital Grants Received in Advance

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

Capital Receipts

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

Cash & Cash Equivalents

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

Collection Fund

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

Compulsory Purchase Order (CPO)

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

Consumer Price Index (CPI)

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

Earmarked Reserves

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

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Full Time Equivalent (FTE)

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

General Fund

The main revenue fund of the Council.

Grants Unapplied

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

Homes and Communities Agency (HCA)

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

Investments

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

Link Asset Services (formerly Capita & Sector)

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

Medium Term Financial Strategy (MTFS)

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

Minimum Revenue Provision (MRP)

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

Ministry of Housing, Communities and Local Government (MHCLG)

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

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

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

Provision

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

Provisional

Best forecast given current knowledge.

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Public Works Loans Board (PWLB)

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

Reserve

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

Revenue account

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

Section 106 Agreement

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

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