

Subject:	Financial Monitoring Report Quarter 1 2025/26	Status:	For Publication
Report to:	Cabinet	Date:	17 th September 2025
Report of:	Head of Financial Services	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
Biodiversity Impact Assessment:	Required:	No	Attached: No
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1. RECOMMENDATION

- 1.1 That Cabinet note the content of the Q1 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 2026.
- At 30 June 2025, the Council is estimating a favourable variance of £32.2k against an approved net budget for the year of £11,535k.
- The approved Capital Programme for 2025/26 was agreed in the sum of £24,272k, to this was added prior year slippage of £8,485k. An additional £1,877k has been approved in the current year making a revised capital programme for 2025/26 of £34,637k. At this early stage of the year the estimated capital outturn for the year is £19,825k.

3. BACKGROUND

- 3.1 In February 2025 the MTFS set a balanced Budget of £11,535k for the year based on the assumptions made at that time and supported by £574k from reserves. The pay award, inflation rates, vehicle fuel costs and high utility costs resulted in the requirement to use reserves to fund the budget gap.

4. DETAILS

Revenue

- 4.1 This first monitoring report of the year 2025/26 is forecasting a favourable variance of £32.2k when compared to an original budget of £11,535k.

- 4.2 The most notable variances are:

- Income relating to Bank Interest is greater than anticipated and is expected to have a favourable variance of £153k against the budgeted income of £225k
- Staff cost savings are estimated to be £187k to the year-end position, this is £62k greater than the vacancy savings target of £125k.
- Fuel 'pump prices' continue to be monitored, Budgets for Fuel in 2025/26 remained at substantial levels totalling £345k which includes any premium for the use of HVO. In 23-24, due to the increasing differential between HVO and Diesel, a decision was taken to switch back to diesel until the two prices were more comparable. During 2024/25 the differential between HVO and Diesel reduced and HVO was purchased during the period and it is hoped

that this will happen again in 2025/26. As the two fuel types can be mixed, the decision regarding which fuel to use can be made on an order by order basis.

- Market income, budgeted at £36k, has not been received due to Haslingden market needing time to establish. Bacup market is closed and is therefore excluded from monitoring. Rawtenstall market is performing well and is trading profitably. Haslingden market is seeing an improvement to its performance.
- The benefits granted outturn shows an adverse variance of £96.9k. This is due a shortfall between the Housing benefits paid and the subsidy received being less than anticipated.

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 2025 totalled £2,141k.

4.5 The approved Capital Programme for 2025/26 was agreed in the sum of £24,272k, to this was added prior year slippage of £8,485k. An additional £1,877k has been approved in the current year making a revised capital programme for 2025/26 of £34,637k. At this early stage of the year the estimated capital outturn for the year is £19,825k.

4.6 On current assumptions, the Capital Receipts Reserve is expected to total £3,490k at the year-end 2025/26, reflecting the most cost-effective method of financing the Council's future Capital Programme.

TREASURY

4.7 At the end of June the Council's bank balances were c£16.8m. This is higher than in previous years due to funds being received in advance for capital schemes and capital spend not being in line with anticipated levels resulting in higher cash balances held temporarily.

4.8 Despite decreasing interest rates over recent months, proactive treasury management resulted in the Council increasing its interest income budgets for 2025/26 to £225k from £100k in 2024/25. (consistent with the £120k budget in 2023/24). Although it is very early in the year we are optimistic that this budget will be exceeded.

4.9 Details are included in Appendix 1.

COLLECTION FUND

4.10 Collection rates for Council Tax are recovering and are now back at pre-pandemic levels with collection performance for 2025/26 slightly below that of 2019/20 (-0.8%). This remains an area of focus into 2025/26 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 was also distorted by the transitional reliefs given to businesses due to the Business Rates revaluation, which kicked in from April 2023. As at end of year the collection rates in 2024/25 were in line with previous years which is positive and the start of 2025/26 initially was significantly below previous years however this is recovering monthly and is much more in line as at July 2026.

- 4.11 For 2025/26 the Council Tax collection fund is predicting a surplus of £1,508k, with Rossendale Borough Council's share being £204k.
- 4.12 The NNDR collection fund is predicting a deficit of £684k with the Council's share being £274k.
- 4.13 Current estimates are that the Council will benefit from a pooling gain of £507k in 2025/26 through being a member of the Lancashire Business Rates Pool.
- 4.14 Details are included in Appendix 1.

EARMARKED RESERVES

- 4.15 The total cash-backed earmarked reserves brought forward at 1st April 2025 were £12,743k. The Earmarked Reserves closing balance at the 31 March 2026 are estimated to be £14,158k.

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 c20-25% 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 (e.g. inflationary pressures and rising living costs) and opportunities, in particular service department net expenditure.
 - Budget setting for future years is now treated as an integral part of financial monitoring during the current year and the impact of variances being reported will be considered by officers when preparing the detailed 2026/27 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 currently awaiting the outcome of the Fair Funding Review.

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.

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 Q1 monitoring report.

Background Papers	
Document	Place of Inspection
Service monitoring statements	Financial Services

Financial Monitoring Report

2025/26 as at end of June 2025

Including a Glossary of terms on page 38



Monthly Financial Monitoring Report 2025/26 Q1 June 2025

General Fund Revenue Operations – pages 4 to 21

Despite the current economic climate continuing to have a significant impact on the Council in Q1, the financial performance has been favourable compared to budget. The provisional out-turn position is a favourable variance of £32.2k on the General Fund when compared to the original budget of £11,535.4k. This will reduce the impact on reserves in the year. The significant budget variations are highlighted on page 5.

Earmarked Revenue Reserves – page 22

The total cash-backed Earmarked Reserves brought forward at 1st April 2025 were £12,743.1k.

The opening balance on the Transitional Reserve was £5,910.2k.

The indicative closing balance of earmarked reserves at the 31st March 2026, is estimated at £14,158.5k. Based on current plans and forecast commitments, and if nothing else changes, at the time of this report, available earmarked reserves are anticipated to be sufficient to support the budget for the current MTFS. This assumes there is no significant impact of the local government funding review expected in June 2025. The earmarked reserves figure includes ringfenced sums of £2,005k, 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 2025 was £6,343k of which £2,083k related to Disabled Facilities Grants. The balance carried forward into 2025/26 relates to previous years' slippage. The allocation of Better Care funding for DFGs for 2025/26 is £1,439k, giving total DFG resources available of £3,231k. Of this £2,300k is estimated to be utilised in the year resulting in a carried forward balance of £1,222k. There is also balance brought forward of £493k relating to the Local Authority Housing Fund which will be used to support efforts to reduce homelessness and the reliance on bed and breakfast accommodation.

Staff Monitoring – page 24

The table on page 24 shows the forecast staffing variances for the year based on Q1 actuals. The projected underspend for the year is £150k. Additional leave contributes a further £37k. A savings target of £125k has been included in the current year. Based on the year to date savings of £62k we are currently exceeding the target.

Treasury & Cash Management - page 25 to 30

At the end of June, the bank balances were £16.8m. These resources continue to be relatively high due to various grant funding, i.e. UKSPF fund, CRP etc. Despite recent Bank of England base rate reductions, it is anticipated that rates will continue to fall. The Council is balancing the use of instant access accounts with shorter-term 'fixed' deposit facilities, to increase investment return within the scope of the approved Treasury Management Strategy. Fixed deposits are being made with high quality counterparties (Central Government, Local Authorities) where risk is considered low and returns are more closely linked to movement in the prevailing Bank Rate. Interest income is currently expected to exceed the budget for the year.

The provision for doubtful debt at the 1st of April 2025 was £641.8k, plus a further £5.4k set aside for licensing debt. The level of cover for sums outstanding and that risk going unpaid is considered adequate at this time (c75% cover) with no further movement proposed. However given the 'Cost of Living Crisis' dominating the headlines, this position will be kept under review.

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Capital Receipts – page 30

The total Capital Receipts rolled forward into financial year 2025/26 is £2,141k.

The total value of Capital Grants receivable in the financial year 2025/26 is £14,655k (including DFG Funding). 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 £3,490k at the year-end 2025/26, reflecting the most cost-effective method of financing the Council's future Capital Programme.

Capital Programme and Funding – page 31 to 34

The original Capital Programme for 2025/26 is £24,272k. This includes £14,078k in relation to the Capital Regeneration Projects, £1,200k for the upgrade of 3G football pitches and £1,000k for DFGs. The slippage from 2024/25 was £8,485k, including £3,902k of the Capital Regeneration Projects and £1,792k of DFG's. An additional £1,877k has been approved in the year.

The indicative capital outturn at 31st March 2026 is spend in the sum of £19,825k. The Capital Outturn will be reviewed throughout the year.

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

Collection rates for Council Tax are recovering and are now back at pre-pandemic levels with collection performance for 2025/26 slightly below that of 2019/20 (-0.8%). This remains an area of focus into 2025/26 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 was also distorted by the transitional reliefs given to businesses due to the Business Rates revaluation, which kicked in from April 2023. As at end of year the collection rates in 2024/25 were in line with previous years which is positive and the start of 2025/26 initially was significantly below previous years however this is recovering monthly and is much more in line as at July 2026.

For 2024/25 the Council Tax collection fund is predicting a surplus of £1,508k, with Rossendale Borough Council's share being £204k.

The NNDR collection fund is predicting a deficit of £684k with the Council's share being £274k.

Current estimates are that the Council will benefit from a pooling gain of £507k in 2025/26 through being a member of the Lancashire Business Rates Pool.

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Service Area	2025/26 App Budget £000	2025/26 Q1 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,864.8	1,929.8	(64.9)		(64.9)
Operational Functions	2,706.8	2,851.3	(144.5)		(144.5)
Parks and Cemeteries	1,006.6	1,102.3	(95.7)		(95.7)
Public Protection Unit	265.3	239.1	26.3		26.3
Environmental Health	242.4	229.5	12.9		12.9
Licensing & Enforcement	36.8	17.9	18.9		18.9
Communities Team	177.8	141.4	36.4		36.4
Economic Development Directorate					
Planning Services	454.7	424.2	30.5		30.5
Building Control Services	13.5	3.8	9.7		9.7
Regeneration	263.5	279.9	(18.2)		(18.2)
Property Services	220.7	301.3	(80.6)		(80.6)
Housing	299.5	315.5	(16.0)		(16.0)
Corporate Management Directorate					
Corporate Management	491.9	487.4	4.5		4.5
Legal Services	202.2	190.9	11.2		11.2
Local Land Charges	20.5	6.8	13.7		13.7
Democratic Services	611.3	559.2	52.1		52.1
Financial Services	588.9	561.3	27.6		27.6
People and Policy	945.6	850.9	94.8		94.8
Non Distributed Costs	235.3	247.2	(11.9)		(11.9)
Capital Financing and Interest	818.7	734.9	83.9		83.9
Leisure Services	(31.9)	(14.3)	(17.6)		(17.6)
Empty Homes Scheme	100.6	41.4	59.2		59.2
TOTAL Service Cost	11,535.4	11,501.5	32.2	-	32.2
Funded by					
Council Tax	(6,719.0)	(6,719.0)	-	-	-
Retained Business Rates	(2,436.0)	(2,436.0)	-	-	-
Funding Guarantee	-	-	-	-	-
Revenue Support Grant	(93.0)	(93.0)	-	-	-
Services Grant	-	-	-	-	-
New Homes Bonus	(141.0)	(141.0)	-	-	-
Collection Fund Surplus - Council Tax	(126.0)	(126.0)	-	-	-
Estimated NNDR Pooling/growth Gain	(500.0)	(500.0)	-	-	-
Extended Producer Responsibilities	(649.0)	(649.0)	-	-	-
Recovery Grant	(297.0)	(297.0)	-	-	-
LESS Estimated use of Reserves	(574.4)	(540.5)	(32.2)	-	(32.2)
Net Budget Shortfall	(0.0)	(0.0)	0.0	0.0	0.0

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Monthly Financial Monitoring Report 2025/26 Q1 June 2025

The position at Q1 2025/26 shows a favourable variance of £32.2k

The main variances are shown below: -

- Income relating to Bank Interest is greater than anticipated and is expected to have a favourable variance of £153k against the budgeted income of £225k
- Staff cost savings are estimated to be £187k to the year-end position, this is £62k greater than the vacancy savings target of £125k.
- Fuel 'pump prices' continue to be monitored, Budgets for Fuel in 2025/26 remained at substantial levels totalling £345k which includes any premium for the use of HVO. In 23-24, due to the increasing differential between HVO and Diesel, a decision was taken to switch back to diesel until the two prices were more comparable. During 2024/25 the differential between HVO and Diesel reduced and HVO was purchased during the period and it is hoped that this will happen again in 2025/26. As the two fuel types can be mixed, the decision regarding which fuel to use can be made on an order by order basis.
- Market income, budgeted at £36k, has not been received due to Haslingden market needing time to establish. Bacup market is closed and is therefore excluded from monitoring. Rawtenstall market is performing well and is trading profitably. Haslingden market is seeing an improvement to its performance.
- The benefits granted outturn shows an adverse variance of £96.9k. This is due a shortfall between the Housing benefits paid and the subsidy received being less than anticipated.
- In 2025/26 the Council had a total budget for Empty Homes related expenditure in the sum of £100k. This budget is all revenue funding. At Q1 the revenue out-turn is an underspend of £55k. This is due to officer time (in budget) being coded here as any residual work relating to this scheme is carried out by this officer. The scheme was brought to a close in 2024/25.

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Target Efficiency Savings 2025-26

The Council agreed, as part of the 2025/26 Budget processes, a number of Efficiency Targets, including Staffing and Asset Management.

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.

Budget Proposals (Efficiency Targets)	2025-26					Commentary At Q1
	£000	£000	£000	£000	£000	
<u>Income & Efficiencies Asset Management</u>	Target	Q1	Q2	Q3	Q4	
Sports Pitches & Facilities	(20)	(5)				Review of charges and maintenance schedules at sports pitches and facilities and being more efficient with energy usage.
Waste management	(47)	(10)				Anticipated reduction in staff sickness levels resulting in a reduction in agency staff costs and reviewing workshop costs
Facilities	(7)	(6)				Introducing energy efficient measures to reduce utility costs
Property	(45)	0				Completion of asset reviews anticipated to generate additional revenue. Progress hindered by staff shortages
	(119)	(21)	0	0	0	
<u>Staffing</u>						
Various Staffing Savings	(100)	(62)				Continue to be reviewed. See separate table
	(219)	(83)	0	0	0	

As can be seen in the above table, there is one area which is on track to achieve the targets set. Several of the above efficiency measures are dependent on the outcome of the sports and leisure facilities review, once this is complete it is hoped that budgeted savings will be achieved. The only one at risk of not achieving at this stage is the additional property income. This is because there is a vacant post in the department and resources cannot be directed at this task in the same way as anticipated.

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Additional Narrative to General Fund Summary variances 2025/26	Q1 Fav/(Adv)	Q2 Fav/(Adv)	Q3 Fav/(Adv)	Q4 Fav/(Adv)	Total Fav/(Adv)	
Communitites Directorate						
Customer Services and e-Government						
Staff costs	7.6				7.6	
Benefits Admin Subsidy shortfall	(65.9)				(65.9)	
Central IT Costs	(9.1)				(9.1)	
Other minor variances	2.5				2.5	(64.9)
Operational Functions Including Parks						
Staff Costs (including agency and overtime)	(4.8)				(4.8)	
Fuel, Vehicle Maint and Hire	(124.5)				(124.5)	
Trade, Bulks and Residual Waste Net Income	2.9				2.9	
Garden Waste Net Income	(14.0)				(14.0)	
Public Open Spaces, Playfields and Playgrounds	(43.3)				(43.3)	
Cemeteries Net Income	(61.7)				(61.7)	
Other Minor Variances	5.1				5.1	(240.3)
Communities Team						
Staff Costs	36.4				36.4	
Other minor variances	-				(0.0)	36.4
Env'tal Health, PPU, Licensing and Enforcement						
Staff costs	54.0				54.0	
Income Shortfall	0.3				0.3	
Other minor variances	3.8				3.8	58.1
Economic Development						
Staff costs (net of grant & fee income)	43.9				43.9	
Economic Development	(1.6)				(1.6)	
Museum	(0.7)				(0.7)	
Tourism	(0.3)				(0.3)	
Market Income	(15.6)				(15.6)	
Housing	(26.4)				(26.4)	
Planning Consultancy Professional fees	(2.4)				(2.4)	
Planning Application Fee Income	23.7				23.7	
Planning Pre-apps	(1.2)				(1.2)	
Building Control Fee Income	4.8				4.8	
Planning /Building Control misc under/over	(3.1)				(3.1)	
Property Running costs	(19.1)				(19.1)	
Business Rates	(12.0)				(12.0)	
Spinning Point bus station	1.3				1.3	
Estates Income	14.5				14.5	
Valuation Fees & Professional Fees	(13.3)				(13.3)	
Boilers / Alarms / lifts / emergency Lighting	(12.2)				(12.2)	
Business Centre rentals	(27.2)				(27.2)	
Tree Felling / knotweed treatment	(22.0)				(22.0)	
Other minor variances	(6.1)				(6.1)	(74.6)
Corporate Management						
Staff costs	115.6				115.6	
Legal income	1.1				1.1	
Legal Professional fees and ref books	5.4				5.4	
Election, Democratic Services and Member costs	19.4				19.4	
Land Charges income	(5.2)				(5.2)	
Land Charges Grant Income	20.0				20.0	
Internal and External Audit - Finance	8.5				8.5	
CIVICA Software update	-				-	
Leisure Services	-				-	
Bank & Cash Collection Charges	10.0				10.0	
Training	1.5				1.5	
Empty Homes	59.2				59.2	
Other minor variances	10.1				10.1	245.6
Non-Distributed Costs & Capital Financing						
Original staff savings target (actuals now above)	(125.0)				(125.0)	
Net Interest	152.7				152.7	
Employee & Pension Costs	85.0				85.0	
Increase in MRP Contribution	(68.8)				(68.8)	
Employee contribution Additional leave	28.1				28.1	72.0
Favourable/(adverse) variance	32.2	-	-	-	32.2	32.2

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Communities Directorate - Customer Services & IT

Period 3 (Jun)

Customer Services & ICT	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q1 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Customer Services							
Benefits Administration	(114.2)	-	(114.2)	(125.7)	11.5		11.5
Benefits Granted	(122.3)	-	(122.3)	(25.5)	(96.8)		(96.8)
Local Tax Collection	(250.8)	-	(250.8)	(260.1)	9.3		9.3
Revenues & Benefits Partnership	1,200.0	-	1,200.0	1,190.0	10.0		10.0
Strategic Functions							
Management and Support	86.8	-	86.8	85.0	1.8		1.8
Service Assurance Team	122.6	-	122.6	133.0	(10.3)		(10.3)
Central Telephones	5.0	-	5.0	5.5	(0.5)		(0.5)
Central Printing	-	-	-	-	-		-
ICT Support	937.6	-	937.6	927.7	10.0		10.0
Total	1,864.8	-	1,864.8	1,929.8	(64.9)	-	(64.9)

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	-	(0.6)	(0.6)
Benefits Granted			
Benefits Admin Subsidy shortfall	-	(85.0)	(85.0)
Debit Credit Card Collection Charges	-	7.8	7.8
Other minor variances	-	1.9	1.9
Revenues & Benefits Partnership			
Partnership contracts	-	10.0	10.0
Management and Support			
Other minor variances	-	1.8	1.8
Service Assurance Team			
SAT staffing	-	3.9	3.9
Annual Licences	-	(9.7)	(9.7)
Consultants Fees	-	(5.1)	(5.1)
Other minor variances	-	0.6	0.6
ICT Support			
ICT Staff	-	3.7	3.7
Other minor variances	-	0.6	0.6
Central IT Costs			
Annual Licences	-	5.0	5.0
IT Equipment Maintenance	-	(15.7)	(15.7)
Other Private contractors (Disaster Recovery)	-	10.1	10.1
Other minor variances	-	6.3	6.3
Telephones			
Other minor variances	-	(0.5)	(0.5)
TOTAL	-	(64.9)	(64.9)

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Customer Service & ICT Highlight Report – Q1 (June 2025)

Historic Issues

- None.

Current Quarter's Issues

The estimated outturn variance is £64.9k adverse, the main movements being: -

- The benefits granted outturn shows an adverse variance of £96.9k. This is due to the Housing benefits subsidy being less than estimated. This is currently an estimation and will be monitored throughout the year.
- Benefits administration has made a saving of £11.5k due to additional grant income
- There is estimated savings of £10k for the year with regards to the contract with Capita.
- Purchase of IT Equipment shows an adverse variance of £16k due to a requirement to replace parts in the Futures Park comms room.
- A review of IT professional subscriptions and licences is carried out throughout the year to check for any potential overspends in this area.

Future Issues

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

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Communities Directorate

Period 3 (Jun)

Operations & Communities	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q1 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Operational Functions							
Operations Admin & Vehicle Maintenance	572.4	-	572.4	627.2	(54.8)		(54.8)
Refuse & Recycling	1,768.0	-	1,768.0	1,778.4	(10.4)		(10.4)
Street Sweeping	366.4	-	366.4	445.8	(79.4)		(79.4)
		-	-				
Parks & Cemeteries							
Parks & Open Spaces	1,173.9	(152.9)	1,021.0	1,107.4	(86.4)		(86.4)
Cemeteries	(167.3)	152.9	(14.5)	5.1	(9.4)		(9.4)
		-	-				
Communities Team	162.8	-	162.8	126.4	36.4		36.4
Area Forums	15.0	-	15.0	15.0	-		-
Total	3,891.1	-	3,891.1	4,095.0	(203.9)	-	(203.9)

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			-
Henrietta Street Staffing		(12.2)	(12.2)
Fleet Management Staffing		106.3	106.3
Fleet Management Agency		(145.0)	(145.0)
Vehicle Maintenance (including Tyres, Parts and MOTs)		(10.7)	(10.7)
Miscellaneous Variances		2.9	2.9
Refuse & Recycling			
Refuse Staffing and Agency		32.0	32.0
Fuel Costs		35.0	35.0
Garden Waste Income		(14.0)	(14.0)
Residual - Sacks & Bag and Sale of Green Bins		15.6	15.6
Refuse Fleet - Tyres etc		(16.9)	(16.9)
Vehicle Tracking Lease		(19.6)	(19.6)
Vehicle Maintenance and MOTs		(41.7)	(41.7)
Trade Waste - income		(12.7)	(12.7)
Miscellaneous Variances		3.1	3.1
Street Sweeping			
Street Sweeping Salaries and Agency		(0.5)	(0.5)
Vehicle Maintenance and MOTs		(57.1)	(57.1)
Tyres and Sweeper Brushes		(21.5)	(21.5)
Miscellaneous Variances		(0.3)	(0.3)
Parks & Open Spaces			
Parks and Open Spaces Staffing		9.9	9.9
Purchase of Tools and Equipment		(3.4)	(3.4)
External Contractors		(29.0)	(29.0)
Fuel		5.0	5.0
Tyres		3.0	3.0
Upkeep of Parks and Playing Fields		(6.2)	(6.2)
Public Open Space and Play Areas		(4.7)	(4.7)
Other Professional Fees		(50.0)	(50.0)
Miscellaneous Variances		(0.6)	(0.6)
Cemeteries			
Cemeteries Staffing		4.7	4.7
Running Costs		22.2	22.2
Cemetery Income & Internment Fees		16.1	16.1
Other Professional Fees		(50.0)	(50.0)
Communities			
Communities staffing		37.8	37.8
Misc Variances		(1.4)	(1.4)
TOTAL	-	(203.9)	(203.9)

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Operations Highlight Report – Q1 – 30th June 2025

Historic Issues

- This service has historically required support from Agency staff and this reliance is expected to continue through 2025-26.
- While fuel prices have exhibited volatility in recent years, they stabilised during 2023-24, and this trend has thus far persisted. Should fuel prices remain stable throughout 2025-26, the current budget allocation is expected to be sufficient to cover the associated fuel costs for the financial year.

Current Quarter Issues

- At the end of Q1, Operations and Green Spaces have an adverse variance of £240.3k.
- A significant contributing factor to this is a provision of £100.0k to cover various health and safety related matters across the service.
- There has also been a significant overspend of £124.5k on Vehicle Maintenance and Hire due to the ongoing maintenance needs for Refuse and Street Sweep vehicles, alongside prices increases during the year.

Fleet

- At Q1, Fleet has a projected overspend of £45.0k for the year.
- This department currently has two vacant posts covered by higher-cost Agency staff. A projected £106.3k saving on staffing has been offset by £145.0k of unbudgeted Agency spend, resulting in a forecast overspend of £38.7k for the year.

Refuse

- At Q1, Refuse has a projected overspend of £10.4k.
- There is a projected saving of £40.8k in employee-related costs, taking into consideration the need for Agency Staff to cover sickness.
- Garden Waste Income is currently projected at £14.0k below budget, whilst Residual net income shows a projected saving of £13.7k. Bulks net income is currently projected at an overspend of £8.9k. Trade Waste net income reflects an overspend of £12.8k, primarily driven by a £17.6k shortfall in Trade Refuse – Bulk Containers income.
- The largest area of overspend is Vehicles, at £37.8k, driven by pressures in Vehicle Maintenance (£39.7k overspend), Tyre Renewal and Repair (£16.9k overspend) and the Vehicle Tracking Lease (£19.6k overspend). These have been partially offset by a projected saving of £35.0k in fuel, assuming that prices remain stable through 2025-26.

Street Sweep

- At Q1, Street Sweep has a projected overspend of £79.4k for the year.
- The Street Sweep overspend is primarily due to a projected £56.4k overspend in Vehicle Maintenance, £5.0k in Sweeper Brushes, and £16.5k in Tyre Renewal and Repairs. These pressures are driven by unbudgeted price increases during the year, alongside the ongoing maintenance needs of an ageing street sweep fleet. The two larger vehicles are scheduled for replacement in 2026/27.

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Parks

- At Q1, Parks have a projected underspend of £66.5k for the year.
- The largest saving within Parks is projected to be £162.7k in staffing costs due to a number of vacancies. This has been partially offset by a £11.7k overspend on Agency Staff to cover the aforementioned vacancies.
- In addition to the above, there has been a £27.0k overspend on External Contractors, as well as a £10.0k overspend on the Purchase of Tools and Equipment.
- At Q1, Playing Fields and Pitches have a projected overspend of £6.2k and Play Areas have a projected overspend of £4.7k. Within Play Areas, £10.0k of S106 Funds have been released in Q1.

Cemeteries

- At Q1, Cemeteries have a projected overspend of £7.0k, primarily driven by an unbudgeted spend of £50.0k in Other Professional Fees. These fees are associated with the ongoing health and safety requirements.
- The staffing costs, running costs and income associated with the Cemeteries are on budget at Q1 and will continue to be monitored in subsequent quarters.

The Future

The Government has stipulated that by March 2026 all households will have a weekly food waste collection. This initiative will be fully funded initially, from a capital perspective. The Council has been informed of capital funding allocation, and is awaiting the revenue funding notification.

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Communities Directorate

Period 3 (Jun)

Public Protection	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q1 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Public Protection Unit	235.0	30.4	265.3	239.1	26.3		26.3
Environmental Health	242.4	-	242.4	229.5	12.9		12.9
Licensing & Enforcement	67.1	(30.4)	36.8	17.9	18.9		18.9
Total	544.6	-	544.6	486.4	58.1	-	58.1

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
PPU			
PPU Staffing		15.9	15.9
Dog boarding Services		8.1	8.1
Environmental Health			
Environmental Health - staffing and consultant		21.8	21.8
Environmental Health - Fees & Charges		(9.3)	(9.3)
Licensing			
Licensing & Enforcement - staffing		15.5	15.5
Licensing running costs		3.2	3.2
Taxi Licensing Income		0.4	0.4
Miscellaneous Licences		0.9	0.9
Licensing & Enforcement - Extra Costs for Vet Fees - Less Costs on Licensing			-
Animal Licensing			
Animal Licensing Staffing		0.8	0.8
Animal Licensing income			-
Pool Car		0.1	0.1
Other misc variances		0.7	0.7
TOTAL	-	58.1	58.1

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Environmental Health, Public Protection Unit and Licensing and Enforcement Service Highlight Report – Q1 – 30th June 2025

Historic Issues

- Nothing reported.

Current Quarter Issues

- At the end of Q1 Environmental Health, Public Protection Unit and the Licensing budgets are projected to underspend by £58.1k; of this £54k are the projected salary savings. A breakdown of the variances is outlined below

Public Protection Unit

- The staffing costs are projecting a saving of £15.9k
- The cost of dog services is currently operating within budget at Q1 with an underspend of £8.1k. The costs from the kennels and Vet are lower than anticipated

Environmental Health

- At Q1 staffing costs are Projecting an underspend of £21.8k. The service area has two long term vacant posts and another member of staff is scheduled to leave later this year. It is assumed all posts will be filled by October 2025
- Income streams within Licencing at Q1 are predicting a shortfall of £9.3k

Licensing

- The staffing costs are projecting an underspend of £15.5k
- All income is expected to achieve the income targets set

Animal Licensing

- The staffing costs are projected to come in within budget by the end of the year

Future Issues

- None

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Economic Development Directorate

Period 3 (Jun)

Economic Development & Regeneration Services	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q1 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Planning							
Development Control	285.8	-	285.8	267.6	18.2		18.2
Forward Planning	168.9	-	168.9	156.6	12.3		12.3
Building Control							
Building Control - Fee Earning Account	(26.2)	-	(26.2)	(34.7)	8.5		8.5
Building Control - Statutory Function	35.7	-	35.7	35.1	0.6		0.6
Building Control - Street Signs	4.0	-	4.0	3.3	0.7		0.7
Regeneration							
Economic Regeneration	173.7	-	173.7	175.4	(1.6)		(1.6)
Whitaker Park Museum	34.0	-	34.0	34.7	(0.7)		(0.7)
Tourism	33.5	-	33.5	33.8	(0.3)		(0.3)
Markets	20.5	-	20.5	36.1	(15.6)		(15.6)
Climate Change	1.8	-	1.8	1.8	(0.0)		(0.0)
Property Services & Facilities Management							
Property Services	39.2	-	39.2	27.4	11.8		11.8
Corporate Estates	(320.8)	-	(320.8)	(388.5)	67.7		67.7
Non Domestic Estates	(120.9)	-	(120.9)	(144.6)	23.7		23.7
Office Accommodation	(16.7)	-	(16.7)	50.3	(67.0)		(67.0)
Operational Properties	288.1	-	288.1	375.6	(87.4)		(87.4)
Leisure Properties	66.6	-	66.6	71.5	(5.0)		(5.0)
Bus Shelters	148.3	-	148.3	135.9	12.5		12.5
Business Centre	136.9	-	136.9	173.8	(36.9)		(36.9)
Strategic Housing							
Housing Strategy	41.7	-	41.7	40.7	1.0		1.0
Private Sector Housing Renewals	11.0	0.0	11.0	7.6	3.4		3.4
Homelessness	246.8	-	246.8	267.3	(20.5)		(20.5)
Total	1,251.9	0.0	1,251.9	1,326.5	(74.6)	-	(74.6)

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Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
Planning			
Forward Planning staffing		10.6	10.6
Planning staffing		4.8	4.8
Planning Consultancy fees/ Legal fees		(2.4)	(2.4)
Planning Application Fee Income		23.7	23.7
Pre-App Income		(1.2)	(1.2)
Other Miscellaneous Variances		(3.1)	(3.1)
Building Control			
Building Control staffing		3.0	3.0
Building Control Fees		4.8	4.8
Building Control - Statutory Function			-
Building Control - Street Signs			-
Other Miscellaneous Variances			-
Regeneration			
Economic Regeneration Staffing		(0.0)	(0.0)
Economic Regeneration - Other Miscellaneous Variances		(1.6)	(1.6)
Tourism - Other Miscellaneous Variances		(0.3)	(0.3)
Markets Income Under Achieved		(15.6)	(15.6)
Whitaker Park Museum		(0.7)	(0.7)
Strategic Housing			-
Housing Strategy Staffing		0.8	0.8
Private Sector Housing Renewals staffing		2.5	2.5
Homelessness Staffing and Agency		6.9	6.9
Payment of Bonds and first months rent (Savings)		30.2	30.2
Costs for Resources on Homelessness excluding B&B costs underspent		51.2	51.2
(B&B) Homelessness Accommodation costs		(115.5)	(115.5)
Housing Benefit monies received		264.4	264.4
Recharge of HB Subsidy shortfall		(257.8)	(257.8)
Other Miscellaneous Variances		1.4	1.4
Property Services Team			-
Property Services staffing		15.3	15.3
Emergency Planning, Xmas Lights		(2.2)	(2.2)
Corporate Estates			
Corporate Estates rental income		14.5	14.5
Futures Park rental income		-	-
Valuation Fees		(1.6)	(1.6)
Professional Fees		(11.7)	(11.7)
Operational Properties			
Property Running Costs: Repairs & Maintenance		(0.1)	(0.1)
Gas, Electricity, Water		(15.0)	(15.0)
NNDR		(12.0)	(12.0)
Tree Felling		(20.0)	(20.0)
Knotweed Treatment		(2.0)	(2.0)
Boilers / Alarms / Lifts / Emergency Lighting		(12.2)	(12.2)
Leisure Properties			-
Bus Station / Shelters			-
Spinning Point Bus Station running costs		1.3	1.3
Spinning Point Bus Station - Departure charges		-	-
Bus Shelters		(1.2)	(1.2)
Business Centre			
Business Centre running costs		(4.0)	(4.0)
Business Centre rentals		(27.2)	(27.2)
Business Centre Fit Tarrif		(2.0)	(2.0)
Other Miscellaneous Variances		(0.6)	(0.6)
TOTAL	-	(74.6)	(74.6)

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Economic Development & Regeneration Highlight Report – Q1 (June 2025)

Historic Issues

- None

Current Quarter Issues

- At the end of Q1 the Economic Development budgets are projected to show and adverse variance of £74.6k; there is a projected salary saving of £43.9k are projected salary savings. A breakdown of the variances is outlined below

Planning & Building Control are showing a favourable variance of £40.2k

- Planning/Forward Planning staffing (inc agency/consultancy) costs are showing a favourable variance of £15.4k. All vacant posts have now been filled
- Building Control staffing costs are projected to underspend by £3k
- The Planning fee income is showing an over achievement of £23.7k, and pre-application fees should meet the income budget target.
- Building Control income are projecting an over achievement of £4.8k.

Economic Regeneration has an adverse variance of £18.2k, which is broken down as detailed below: -

- Staff Costs in Economic Regeneration are on budget due to the pay award being within budgeted amounts.
- The Q1 forecast shortfall on Income for Markets is £15.6k. This covers both Haslingden and Rawtenstall which are both now fully operational. Rawtenstall market is thriving and is anticipated to have a favourable out-turn however Haslingden is still developing its customer base and is forecasting losses in its initial year of trade.
- The Museum has a slight overspend by £0.7k forecast but will be closely monitored.
- Tourism also has a slight overspend by £0.3k forecast and again will be closely monitored.

Housing has an adverse variance of £16k which is broken down as detailed below:-

- Staffing underspends at Q1 is £10.2k due to staff being appointed at below budgeted rate generating some savings against the budget.
- With regards to payment of Bonds to assist with providing temporary accommodation, while the estimated costs of £70k is greater than the previous year (2024/25 £48k) this will be less than the agreed increase to the budget of 2025/26. This will give an estimated saving of £30k for the year. This will also continue to be monitored and adjusted where appropriate
- RBC are in receipt of additional Housing Benefit from DWP to cover the direct costs charged to the Housing Options Team for Bed & Breakfast charges from the hotels. This covers circa 1/7th of the costs incurred
- Most other budgeted costs at Q1 for resources on Homelessness are projected to underspend by an estimated £52k. With the exception of the costs associated with Bed and Breakfast. Over the last few years these costs have significantly increased and this situation is being closely monitored and other temporary accommodation options are being reviewed. It is anticipated that demand for this service will at best remain static but is likely to increase

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- The forecasted overspend on temporary accommodation costs for 25-26 based on actual within Quarter 1 is £108.8k. 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. The Housing Team are actively working to try to reduce this overspend:-
 - Officers are using the additional dispersed accommodation purchased
 - Additional properties have been purchased to reduce the number of families placed within B&B and the authority is looking to purchase additional properties in the year
 - More favourable rates have been negotiated with a B&B if a resident is placed for more than 6 weeks
 - Responsibility for some families has been reallocated to Children's Services

The Council is continuing to receive ring fenced grants during 2025/26 to help fund the increased costs of temporary accommodation. The situation will be closely monitored so decisions can be made as we progress through the year.

Property Services and Facilities Management is currently showing an adverse variance of £80.6k.

- Salary costs are showing a favourable variance of £15k. This is due to the vacant managers post
- Facilities running costs are showing an adverse variance of £27.1k
- The estates income is showing an overall favourable variance of £14.5k. At budget setting no income target was set as it was assumed Heys St units would be vacant. Three units are still occupied.
- Valuation Fees / professional fees are showing an over spend of £13.3k. in the main due to costs for eviction notices re travellers
- The Business Centre room hire is projecting an under achievement of £27.2k. Property are looking to increase tenant occupancy which will seek to reduce this deficit.
- Tree Felling across unmaintained land are projected to spend £20k

Future Issues

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

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Corporate Services Directorate

Period 3 (Jun)

Corporate Management	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q1 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Corporate Management							
Executive Office	399.4	-	399.4	394.9	4.5		4.5
Corporate Contingency	37.5	-	37.5	37.5	-		-
Corporate Subscriptions	55.0	-	55.0	55.0	-		-
		-	-		-		
Legal Services	202.2	-	202.2	190.9	11.2		11.2
		-	-				
Land Charges	20.5	-	20.5	6.8	13.7		13.7
Democratic Services							
Electoral Registration	96.7	-	96.7	90.4	6.4		6.4
Elections	89.8	-	89.8	88.4	1.4		1.4
Democratic Support	345.9	-	345.9	324.6	21.2		21.2
Mayoralty & Civic Events	76.4	-	76.4	53.3	23.1		23.1
Town Twinning	2.5	-	2.5	2.5	-		-
Financial Services							
Treasury Management	198.8	-	198.8	180.3	18.5		18.5
Insurance, Risk & Audit Fees	65.1	-	65.1	65.1	0.0		0.0
Financial Services	325.1	-	325.1	316.0	9.1		9.1
People & Policy							
Human Resources	597.9	-	597.9	543.1	54.8		54.8
Corporate Support	347.7	-	347.7	307.8	39.9		39.9
Publicity		-	-	-	-		-
Leisure Services	(31.9)	-	(31.9)	(14.3)	(17.6)		(17.6)
Empty Homes Scheme	100.6	-	100.6	41.4	59.2		59.2
Total	2,929.1	-	2,929.1	2,683.5	245.6	-	245.6

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Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
Executive Office			
Salary variances		3.3	3.3
Other minor variances		1.0	1.0
Legal Services			
Salary variances		3.3	3.3
Professional fees		5.4	5.4
Legal Income		1.1	1.1
Other Legal Misc under/ over		1.4	1.4
Land Charges			
Salary variances		(1.4)	(1.4)
Search Income		(5.2)	(5.2)
HM Land Registry Grant Income		20.0	20.0
Other minor variances		0.4	0.4
Democratic Services			
Salary variances Elections		7.8	7.8
Other Election Misc under/ over		-	-
Salary variances Democratic Support		22.3	22.3
Members Costs		19.4	19.4
Other Dem Misc under /over		2.6	2.6
Town Twinning			-
Treasury Management			
External Audit		8.5	8.5
Bank Charges / Bank interest		10.0	10.0
Insurance, Risk & Audit Fees			-
LCC Audit fees		-	-
Financial Services			
Salary variances - Accountants		10.3	10.3
Salary variances - Exchequer		(1.4)	(1.4)
CIVICA test data			-
Subscriptions		0.3	0.3
Other misc under / (over) spends		0.1	0.1
Human Resources			
Salary variances		53.2	53.2
Authority wide Training		1.5	1.5
Other minor variances		4.3	4.3
Corporate Support			
Salary variances		35.8	35.8
Publicity			-
Leisure		(17.6)	(17.6)
Empty Homes			-
Other Misc under / (over) spends		59.2	59.2
TOTAL	-	245.6	245.6

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Corporate Management Highlight Report – Q1 (June 2025)

Historic Issues

- None

Current Quarter Issues

The Corporate Management outturn is forecast to be a favourable variance of £245.6k, the main movements being: -

- Staffing cost projected variances at Q1 are £100.6k favourable:
 - Land Charges – is showing an adverse variance of £1.4k – this will be offset from the HM Land registry grant income
 - Democratic Services – is showing a favourable variance of £22.3k due to reduced working hours
 - Elections – is showing a favourable variance of £7.8k
 - Corporate management – savings of £3.3k
 - Financial Services – is showing a favourable variance of £8.9k
 - People & Policy – is showing a favourable variance of £38.2k due to vacant post, reduced working hours and salary budget to offset against Viva PR costs
 - Corporate Support – is showing a favourable variance of £35.8k due to vacant posts
 - Leisure is showing an adverse variance of £17.6k
 - Legal is showing a favourable variance of £3.3k
- Members costs are showing an underspend of £19.4k due to reduced number of councillors and cabinet members
- Bank Charges / Interest is projecting a favourable variance of £10.3k
- The Empty Homes scheme is estimated to have an underspend of £59.2k

Future Issues

None

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Corporate Services Directorate

Period 3 (Jun)

Non-Distributed Costs & Capital Financing	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q1 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Non Distributed Costs							
Employee & Pension Costs	200.0	-	200.0	212.4	(12.4)		(12.4)
Other Non-distributed Costs	35.3	-	35.3	34.8	0.5		0.5
Capital Financing							
Minimum Revenue Provision	818.7	-	818.7	712.9	105.8		105.8
Interest (net)	-	-	-	22.0	(22.0)		(22.0)
Total	1,054.0	-	1,054.0	982.0	72.0	-	72.0

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 and unpaid leave savings target - net	-	(125.0)	(125.0)
Employee contribution Additional leave	-	28.1	28.1
Superann additional years/Contribution to Pension deficit	-	85.0	85.0
Capital Financing			
Interest Receivable	-	152.7	152.7
MRP	-	(68.8)	(68.8)
TOTAL	-	72.0	72.0

Non-Distributed Costs & Capital Financing Highlight Report – Q1 (June 2025)

Historic Issues

- Savings on the pension costs relate to historical pension costs as former employees pass away.

Current Quarter Issues

- The Minimum revenue provision is £68.8k over budget, this is mainly due to delays in capital expenditure in previous years.
- The non-distributed costs also have a vacancy savings target of £100k and also savings relating to unpaid leave of £25k
 - Vacancy savings are included in the relevant department variances.
 - Employee contributions in relation to the purchase of additional leave are included in non-distributed costs.
 - A more detailed analysis is included in the 'Staff costs' element of the monitoring pack.
- Net interest for the year is a favourable variance of £152.7k as per the following:
 - Income relating to longer term, high interest, deposits had matured in this period. This has generated income that is estimated to be £153k more favourable than budgeted.
 - Officers have been working hard to maximise interest receivable on the Council's cash balances.

Future Issues

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

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Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Local Business Rates Retention Reserve	Transitional Budgetary Support	Rawtenstall Bus Station Commutated sum	Directorate Reserves	MMI	General Reserves	Total Reserves
Balance at 01/04/2025	3,112.6	5,910.2	486.0	2,005.5	228.8	1,000.0	12,743.1
Funds Received 2025/26							
Transfer between Reserves							0.0
Collection Fund							0.0
Collection Fund - S31 Grants (NNDR3)	2,436.0						2,436.0
Collection Fund - Renewable Energy (NNDR1/3)							0.0
Business Rates Pooling net gain							0.0
New Homes Bonus		141.0					141.0
Other Revenue income received				0.0			0.0
Total Funds Available	5,548.6	6,051.2	486.0	2,005.5	228.8	1,000.0	15,320.1
2025/26 Published Budget Utilisation							
Retained Business Rates							0.0
New Homes Bonus		(141.0)					(141.0)
General budget support		(540.5)					(540.5)
2025/26 Other Utilisation Plans							
Transfers between Reserves							0.0
Counter Fraud & RV Analysis							0.0
Other Utilisation from Directorates				(480.1)			(480.1)
Total Utilisation Commitment	0.0	(681.5)	0.0	(480.1)	0.0	0.0	(1,161.6)
Reserve Estimates 31/3/2026	5,548.6	5,369.7	486.0	1,525.4	228.8	1,000.0	14,158.5
Future Contributions/Utilisation Plans							
2026/27 Plans		(837.0)		(52.8)			(889.8)
2027/28 Plans		(917.0)		(74.8)			(991.8)
2028/29 Plans		(944.0)		(42.8)			(986.8)
Potential Reserve Balances	5,548.6	2,671.7	486.0	1,355.0	228.8	1,000.0	11,290.1

Current issues

The reserves balance as at 1st April 2025 are £12,743k as shown in the table above, and of this balance c£2,005k is ring-fenced. As noted on page 2, the positive variance at Q1 of £32.2k will reduce the pressure for a significant contribution to be required from the Transitional Reserve as predicted in the 2025/26 MTFS.

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Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants *	Capital Regeneration Programme (CRP) *	Local Authority Housing Fund (LAHF) *	DEFRA Waste Capital Fund *	Long Term Plans for Towns	Total
	£000	£000	£000	£'000	£'000	
Balance at 01/04/2025	2,083.0	3,069.0	493.0	528.0	170.0	6,343.0
New Funds Received 2025/26						
Grant due/received	1,439.0					1,439.0
Total Funds Available	3,522.0	3,069.0	493.0	528.0	170.0	7,782.0
Utilisation in 2025/26						
DFGs Outturn 2025/26	(2,300.0)					(2,300.0)
CRP Markets and Gyratory		(3,069.0)				(3,069.0)
Local Authority Housing Fund (LAHF)			(493.0)			(493.0)
DEFRA Food Waste				(528.0)		(528.0)
Long Term Plans for Towns					(170.0)	(170.0)
Anticipated Balance 31/03/2026	1,222.0	0.0	0.0	0.0	0.0	1,222.0

In addition to the £2,083k of unspent DFG grant brought forward 1st April 2025, the 2025/26 allocation of £1,439k has been confirmed, giving total DFG resources of £3,522k. The utilisation is based on the estimated Capital spend for the year and will be reviewed and updated throughout the year

All other grants, received in the previous year, are expected to be used in 2025/26.

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Staff Costs, including agency

Net Employment Costs 2025/26 to end June 2025	YTD Budget £000	YTD Actual £000	YTD Variance (Adv)/Fav £000	Variance last Qtr (Adv)/Fav £000	Change this Qtr (Adv)/Fav £000	FTE Original Budget 2025/26	FTE Changes during 2025/26	Current Vacant Posts
Communities Directorate								
Customer Services	110	108	2	-	2	7.8	0.0	0
Operations Service	657	622	35	-	35	52.0	0.0	4
Parks & Cemeteries	228	229	(2)	-	(2)	22.0	0.0	1
Public Protection Unit	49	48	1	-	1	3.0	0.0	0
Environmental Health	57	44	13	-	13	4.0	0.0	2
Licensing & Enforcement	28	26	2	-	2	3.0	0.0	0
Communities Team	37	28	9	-	9	2.8	0.0	1
Economic Development Directorate								
Planning Services	159	144	15	-	15	11.6	0.0	0
Building Control Services	38	37	0	-	0	3.0	0.0	0
Regeneration	146	136	10	-	10	10.7	0.0	2
Property Services	42	43	(1)	-	(1)	4.0	0.0	1
Housing	107	104	3	-	3	8.5	0.0	0
Corporate Services								
Corporate Management	98	99	(1)	-	(1)	3.0	0.0	0
Legal Services	49	48	1	-	1	3.0	0.0	1
Local Land Charges	15	14	1	-	1	1.2	0.0	0
Democratic Services	76	72	4	-	4	6.5	0.0	0
Financial Services	133	116	17	-	17	10.0	0.0	0
People & Policy	235	190	45	-	45	19.2	0.0	3
Leisure Services	12	16	(4)	-	(4)	0.8	0.0	0
Total	2,274	2,124	150	-	150	177.1	0.0	15.0

Salary savings	150
Additional Leave	37
Total Staff Savings	187
Original Savings Target	125
Savings Target fav/(adv)	62

The net employee underspend at Q1 is £150k plus savings relating to additional leave of £37k makes a total staff saving of £187k. The savings target for the year is £125k, therefore, showing an estimated favourable variance of £62k by the end of the year.

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

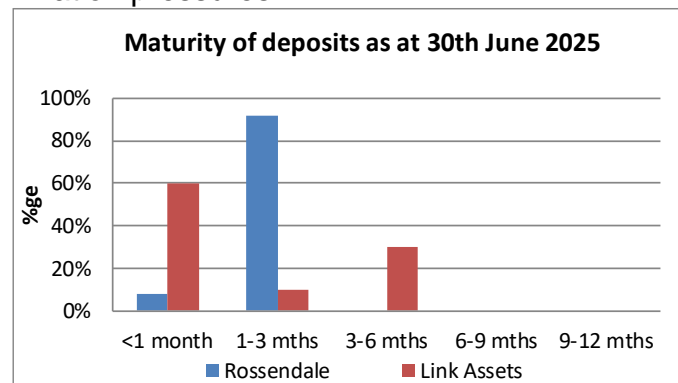
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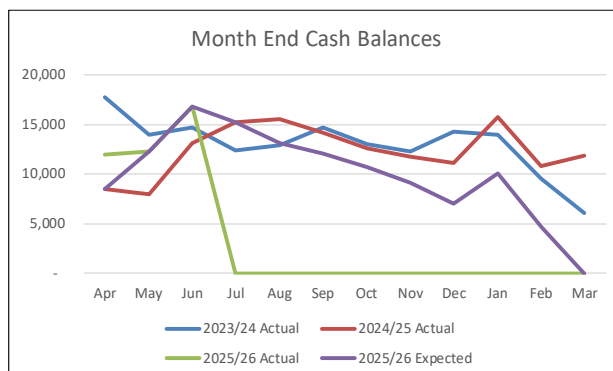
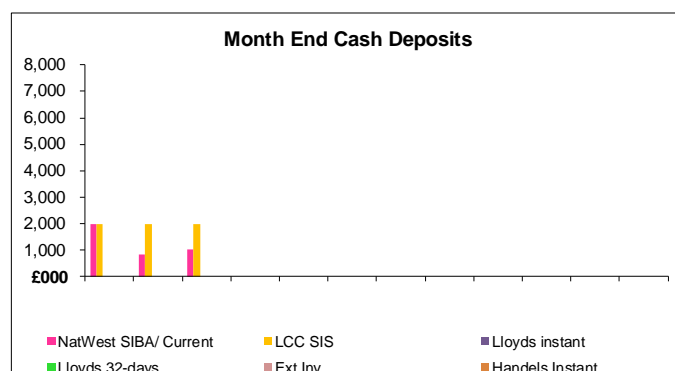
Treasury Management & Cash Flow Monitoring

At the end of June 2025 the bank balances were £16.8m. This is higher than in previous years due to funds being received in advance for capital schemes and Disabled Facilities Grant.

Despite the recent drops in interest rates, over the last two years the Bank Rate has maintained consistently high levels. Given the high rate over the last three years, and the temporary cash balances available to invest, the Council has continued to take a more proactive approach to managing its cash balances in 2025/26 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 30/06/2025	Current Balance £k	Avg Interest Rate %
NatWest SIBA	1,039	0.10
Lancashire CC Call	-	4.00
Handelsbanken instant	-	0.00
External Investments	11,750	4.21
Lloyds instant access	-	4.05
Lloyds 12mth Deposit	-	-
Total Bal & Avg interest	12,789	3.88



The Bank of England voted to increase the 'Bank Rate' for the final time on 3rd August 2023, increasing from 5.0% to 5.25%. The Monetary Policy Committee (MPC) then decreased the bank rate in August 2024 by 0.25% back down to 5.0%. A further decrease of 0.5% was announced on 6th Feb 2025 and more recently to 4% in August 2025. The full impact of the fall in rates is not likely to be felt until the second half of the calendar year when cash balances are also anticipated to reduce.

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

Instant access arrangements typically return lower interest rates despite the recent change in bank rate. Officers are working to generate the highest level of interest income possible whilst maintaining the ability to access funds when needed.

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

At 30th June 2025, the Council's portfolio mix consists of £2m in an LCC call account, £2m in a Lloyds instant access account, £11.75m on deposit with the Debt Management Office (DMO) which is responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds. RBC have deposits for varying periods up to 3 months with the above and liquid funds of £1m with Natwest.

Interest Forecast	Budget 2024/25	Forecast 2024/25	Variance Fav/(Adv)	Change Fav/(Adv)
Revenue				
Interest payable (PWLb)	(109.0)	(109.0)	0.0	0.0
Other interest payable	(1.0)	(1.0)	0.0	0.0
Misc Interest income	0.0	0.0	0.0	0.0
Bank Interest income	120.0	634.0	514.0	514.0
Net Interest	10.0	524.0	514.0	514.0

The average effective interest rate at the end of Q4 was 4.09%.

Interest Paid/Received

The budget for interest in 2025/26 is a net cost of £175k. The outturn position is forecast to be £22k. This is due to higher than anticipated available cash and slower than anticipated reductions in interest rates. This is combined with the reliance on internal borrowing resulting in savings in interest paid on external borrowing.

Borrowing

The Council has an identified a 'prudential' borrowing need to finance its Capital expenditure plans, in the sum of £6.2m, over the plan period to 2024/25 - 2026/27.

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

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

Interest rate forward predictions

The Council's treasury management advisors, MUFG (formerly Link), have reviewed their interest rate forecast over the next 12 months following Bank Rate change at the end of Q4, suggestions of future rate reductions in the short-term and corresponding falling inflation rates.

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

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

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

Treasury Management Practices (TMPs) and Prudential Indicators

The Council's Treasury Management Strategy Statement 2025/26 was approved by Council on 5th March 2025.

Prudential Indicators

The updated Prudential Indicators – taking into account the Q1 Monitoring position are shown below.

Capital Expenditure	Original 2025/26 £'000	Q1 Revised £'000
Climate Change	527	736
Corp Services & Buildings	430	569
Housing	1,000	3,149
Ops & Coms	8,036	6,193
Regeneration	14,279	9,178
Total	24,272	19,825

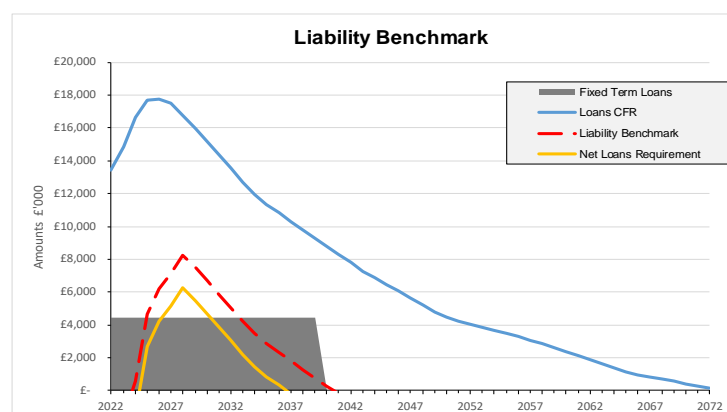
Financing of Capital Expenditure	Original 2025/26 £'000	Q1 Revised £'000
Capital Receipts	1,600	1,600
Capital Grants	17,228	14,665
S106	-	137
Capital Reserves	-	-
Earmarked Reserves	-	-
Total in-year resources	18,828	16,402
Net Financing need for year	5,444	3,423

CFR	Original 2025/26 £'000	2025/26 Actual £'000
Total CFR	23,448	21,563

Operational Boundary & Authorised Limit	Original 2025/26 £'000	Revised 2025/26 £'000
Operational Boundary	24,400	24,400
Authorised Limit	26,400	26,400

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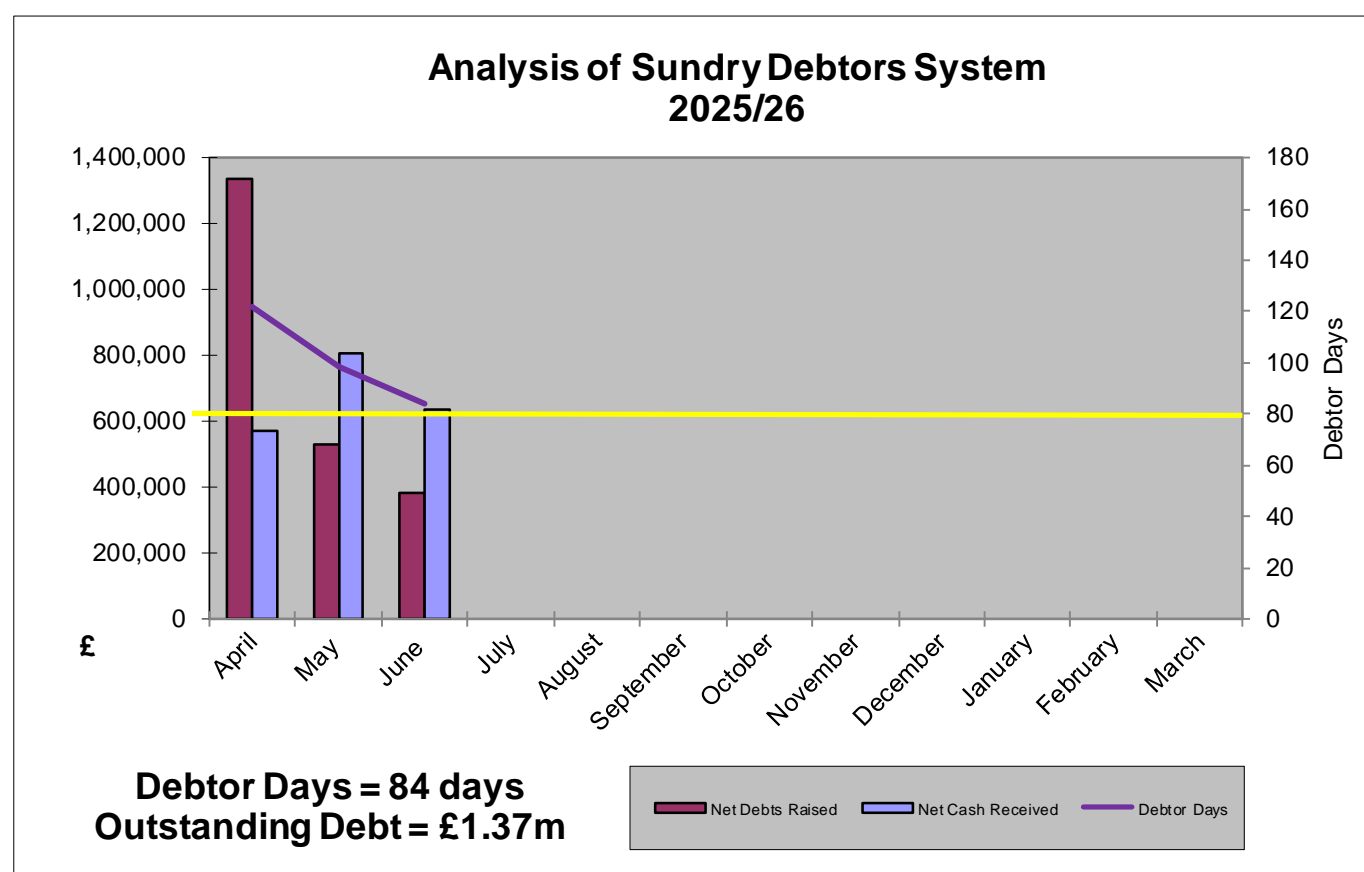
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Ratio of financing costs to net revenue stream	Original 2025/26 £'000	Revised 2025/26 £'000
Interest Payable - Services	109	109
Interest Receivable	(120)	(570)
Net cost of capital	(11)	(461)
Net Revenue Stream	10,256	9,361
Ratio of financing costs to net revenue stream	-0.11%	-4.92%

Sundry Debts Monitoring

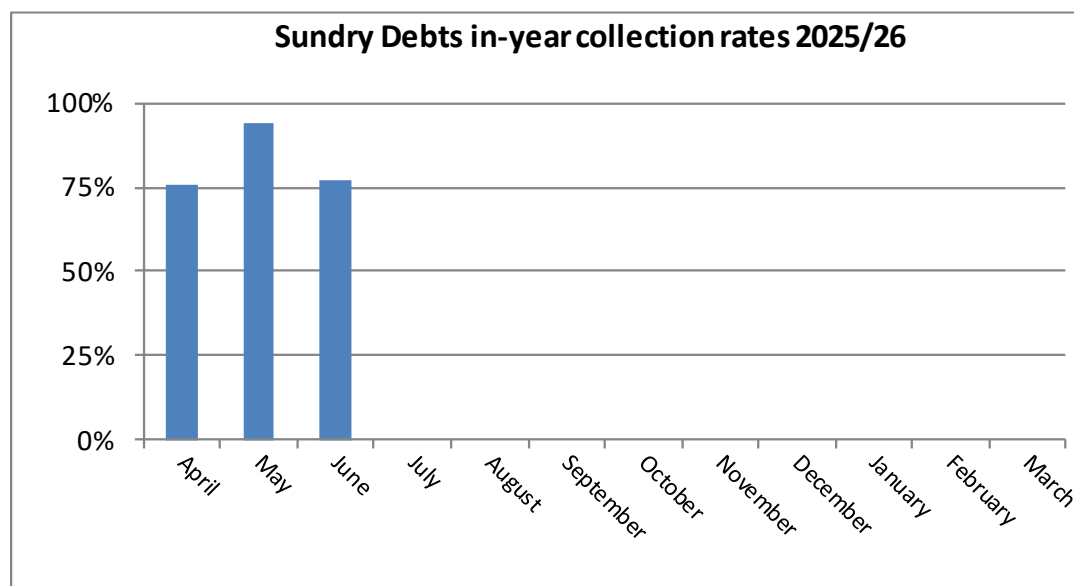
Invoices raised in the year, to the end of Q1 totalled £2,248k. As at June 2025, £447k (20%) of new debts raised in the year were considered outstanding or overdue giving a derived collection rate of 80%.



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

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Doubtful debts

The debtor days in Q1, based on a rolling 12 month average has increased from 77 days to 84 days, for collection of sums due. The target average is 80 days.

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

The Council has a provision of c83% for debts its considered to be at risk of going unpaid (impairment) and c50% for total debt issued and considered overdue. The general impairment provision carried forward at 31 March 2025 is at £641.8k, plus a further £5.4k set aside for licensing debt.

Given the subsequent collection performance of Q4 debts into 2024/25, the current level of provision is considered adequate but will be maintained under review throughout 2025/26, given the ongoing, challenging economic conditions for individuals and businesses.

The debts below exclude the Rossendale Leisure Trust Debt which stood at £1,285m as at 31st March 2025.

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Debts Outstanding	Mar 2025	Jun 2025	Doubtful Debts at 30 June 2025	
	£000	£000	Rate	£000
Earlier Debt	46.2	46.1	100%	46.1
2017/18 Debt	63.3	63.2	100%	63.2
2018/19 Debt	38.7	39.2	100%	39.2
2019/20 Debt	16.8	16.9	100%	16.9
2020/21 Debt	109.2	107.8	100%	107.8
2021/22 Debt	38.4	38.2	100%	38.2
2022/23 Debt	91.0	83.0	75%	62.3
2023/24 Debt	192.6	165.7	50%	82.9
2024/25 Debt	437.4	228.1	50%	114.1
2025/26 Debt				
Q1 Apr		328.0	15%	49.2
Q2 May		31.5	15%	4.7
Q3 Jun		88.4	15%	13.3
Total Debt o/s	1,033.6	1,236.1		637.9

Capital

Capital Resources

Table 1 – 2025/26 receipts

Major Receipts:	Original Budget £000	Year to Date £000	Variance Fav/(Adv) £000
Capital Receipts			
Land & Property Sales	1,600	-	(1,600)
Obsolete vehicles and kit	-	92	92
Net receipts to table 2	1,600	92	(1,508)

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2025	2,141
Capital Grants in 2025/26	14,665
Capital Receipts in 2025/26	1,600
	18,406
Revenue Contributions	
from Earmarked Reserves	-
from Revenue Operations	-
Total Capital Resources 2024/25	18,406
Capital Prog funding applied	(14,665)
Total Capital Resources March 2025	3,741
Capital Receipts Reserve (Whitworth)	38
Capital Receipts Reserve (Haslingden)	213
Capital Receipts Reserve (unalloc)	3,490

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Capital Programme

The Capital Programme for 2025/26 approved in March 2025 was £24,272k

This includes:

- £14,078k for the Capital Regeneration Programme
- £6,000k for the Operations Infrastructure
- £1,200k for the 3G Football pitch upgrade
- £666k for the Vehicle replacement programme
- £527k for projects included in the Carbon Reduction Fund - (Reduced to £503k due to additional costs incurred at the end of 2024/25)
- A provisional estimate of £1,000k for DFGs.

A further £8,485k (£1,792k DFG's) of slippage had been included at the start of the year, relating to projects which were ongoing at the end of 2024/25 and prior year allocations not yet spent. Items of estimated slippage and the associated funding arrangements are shown in the table below.

The following are Capital projects that have been approved in the current year (2025/26) giving an additional total of £1,877k

- £805k relating to the purchase of properties for supported housing with additional funding from Local Authority Housing Fund.
- £533k relating to funding for the Net Zero Terraced Streets project.
- £100k increase relating to the Whitaker Park improvements project, with additional funding from Lancashire Environmental Fund and FCC Communities Foundation
- The original 2025/26 estimate for DFGs included in the programme was £1,000k. The actual grant received in the year is £1,439k, so an additional £439k has been added to the base programme.

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

Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of the funds generated by the sale of Council assets; the balance brought forward at 1st April 2025 is £2,141k. This represents the most effective method of financing the planned Capital spend in 2025/26. This figure is still subject to any effects of post-audit amendments to the 2018/19 through 2025/26 accounts and their impact on subsequent years.

The total grant income expected for the approved capital programme is £14,665k (including DFGs). Current funding for the slippage carried forward into the 2025/26 capital programme and the additional projects in 2025/26 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.

Current issues

- The costs of maintaining and repairing council buildings and of specialised Fleet vehicles continuing to rise, putting increased pressure on the budget.
- The work relating to the Operations Infrastructure is currently at the planning stage.

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Capital Programme Spending

Capital Programme 2025/26	Original Cap Prog	Revised Cap Prog	Spent (including Commitments)	Full-Year Forecast	Variance (Adv)/Fav	Estimated Slippage	Adj Variance (Adv)/Fav	Indicative Funding Arrangements			
	£000	£000	£000	£000	£000	£000	£000	Grants/ Contrib'n	Capital Receipts	S106/Reserves /RCCO	RBC Int Borrow
IT Software & Equipment	-	-	22	22	(22)	(22)	-	-	-	-	22
Operations	716	755	381	867	(112)	(112)	-	-	822	-	46
Communities	1,240	1,524	97	1,497	27	27	-	1,055	-	137	304
Housing	1,000	4,080	794	3,149	931	931	-	3,149	-	-	-
Henrietta Street Depot Improvements	-	-	13	13	(13)	(13)	-	-	-	-	13
Futures Park	-	33	-	33	-	-	-	-	-	-	33
Property Repairs & Maint	400	450	27	450	-	-	-	-	-	-	450
Car Parks General 22-26 MTFS	30	40	-	40	-	-	-	-	-	-	40
Haslingden 2040 NLHF	-	1,332	218	1,332	-	-	-	1,332	-	-	-
Haslingden Market (UKSPF)	-	-	11	11	(11)	(11)	-	11	-	-	-
Waterfoot (UKSPF)	-	-	104	104	(104)	(104)	-	104	-	-	-
Rawtenstall Market Electrical Works	101	101	-	-	101	101	-	-	-	-	-
Carbon Reduction Fund	527	503	57	203	300	300	-	-	-	-	203
Net Zero Terraced Streets	-	533	252	533	-	-	-	533	-	-	-
Whitaker Park Drainage	80	184	184	184	-	-	-	139	-	-	44
Stubbylee Park Drainage	-	40	-	40	-	-	-	-	-	-	40
Trickett's Memorial Ground	-	-	5	5	(5)	(5)	-	-	-	-	5
Food Waste Collections	-	528	200	528	-	-	-	528	-	-	-
Waste Transfer Station	6,000	6,000	150	3,000	3,000	3,000	-	-	778	-	2,222
Leisure Various	-	186	-	-	186	186	-	-	-	-	-
Legacy Liabilities	100	365	-	-	365	365	-	-	-	-	-
Capital Regeneration Projects (LUF)	14,078	17,980	806	7,813	10,167	10,167	-	7,813	-	-	-
	24,272	34,634	3,323	19,825	14,809	14,809	-	14,665	1,600	137	3,422

Slippage items b fwd at end of 2024/25	Costs '£000	Indicative Funding Arrangements			
		Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
Edgeside Park	55				55
Football Pitch Upgrade	229	229			
Sub-total Communities	284	229	-	-	55
Operations					
Vehicles / Equipment	39				39
Food Waste Collections	528				528
	567	-	-	-	567
Economic Development Directorate					
Leisure Facilities upgrade	186				186
Haslingden 2040 NLHF	1,332	1,332			
Whitaker Parking (Includes Stubbylee Parking)	10				10
Whitaker Park	4				4
General Building Renovations & Maintenance	50				50
Futures Park Infrastructure	33				33
Stubbylee Park Drainage	40				40
Legacy Liabilities (Various Schemes)	241				241
Sub-total Econ Devmt	1,896	1,332	-	-	564
Housing					
DFG'S - Mandatory Grants	1,792	1,792			
Supported Accommodation	44	44			
Sub-total Housing	1,836	1,836	-	-	-
Capital Regeneration Projects	3,902	3,902			
Total	8,485	7,299	-	-	1,186

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Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2025/26	Revised MRP Required	(Additions) / Underspend 2025/26
Corporate	£000	£000	£000
	644	713	(69)
	644	713	(69)

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

Following a review of the Capital projects the MRP cost is £69k higher than anticipated.

Section 106 Receipts Monitoring

The value of S106 agreements brought forward on the 1st April was £604.5k. To the end of June 2025, there has been one new S106 deposit of £232.4k and two contributions totalling £13.2k applied to projects. Leaving £823.7k held on the balance sheet.

Section 106 Agreements 2025/26	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
	£000	£000	£000	£000
Balance bfwd at 1st April 2025	251.1	64.9	288.5	604.5
Deposits received in 2025/26			232.4	232.4
Deposits applied in 2025/26		(13.2)		(13.2)
Current Balance	251.1	51.7	520.9	823.7

Section 106 Agreements in detail	Third Party Projects	RBC Revenue Projects	RBC Capital projects	Total Held
Balance bfwd at 1st April 2025	251.1	64.9	288.5	604.5
LIDL, Rawtenstall			232.4	232.4
Douglas Rd		(10.0)		(10.0)
Scout Moor		(3.2)		(3.2)
	251.1	51.7	520.9	823.7

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Council Tax & NNDR Collection Rates

Cumulative Collection	Council Tax							Business Rates						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
April	10.51	10.04	10.90	10.44	10.11	10.09	10.10	12.22	10.24	8.60	12.78	12.79	12.17	9.25
May	19.70	18.96	19.70	19.44	19.48	19.04	19.03	21.07	18.89	16.20	31.81	21.29	20.42	17.19
June	28.63	27.62	28.70	28.35	28.19	27.89	27.88	28.68	25.62	24.30	28.16	28.19	28	25.44
July	37.86	36.56	37.66	37.21	37.09	36.96	36.81	37.37	33.92	33.96	35.83	36.52	36.83	35.37
August	46.90	45.24	46.71	46.21	46.01	45.05		50.82	48.55	47.63	47.86	51.19	49.1	
September	56.01	54.29	55.43	55.64	54.92	54.93		58.34	57.84	56.05	55.54	58.11	58.14	
October	65.23	63.29	71.16	64.55	64.03	63.36		67.52	68.97	64.90	64.73	65.99	65.08	
November	74.78	72.30	78.43	73.49	72.93	72.93		74.26	77.15	73.09	74.88	74.92	74.41	
December	83.33	80.90	82.12	82.25	81.50	80.96		82.70	85.92	81.41	81.91	81.93	82.7	
January	92.48	89.90	90.96	91.22	91.05	90.25		90.91	90.17	89.30	94.79	90.27	91.17	
February	94.60	92.37	93.43	93.85	93.37	93.12		95.00	93.66	95.13	94.73	94.23	94.68	
March	96.32	95.72	95.59	95.95	95.75	95.31		97.78	94.19	98.15	98.85	98.60	98.56	

Collection rates for Council Tax are recovering and are now back at pre-pandemic levels with collection performance for 2025/26 slightly below that of 2019/20 (-0.8%). This remains an area of focus into 2025/26 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 was also distorted by the transitional reliefs given to businesses due to the Business Rates revaluation, which kicked in from April 2023. As at end of year the collection rates in 2024/25 were in line with previous years which is positive and the start of 2025/26 initially was significantly below previous years however this is recovering monthly and is much more in line as at July 2026.

Council Tax Collection Fund

At the time of this report the estimated surplus on the Council Tax collection fund is forecast at £1,508k. This includes a £500k contribution for doubtful debts. This year RBC's share of the Council Tax is 13.56%, equating to £204k of the forecast surplus.

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Council Tax Forecast 2025/26	Q1 £'000
Council Tax Collectable (after Discounts & Exemptions)	53,288
less Doubtful Debt Provision	(500)
	52,788
less Precepts for 2023/24	
Lancashire County Council	(36,715)
Police	(5,868)
Fire	(1,898)
Rossendale Borough Council	(6,719)
Whitworth Town Council	(80)
	(51,280)
Surplus / (Deficit)	1,508
RBC Share = 13.56%	204

Local retention of Business Rates (NNDR)

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

Business Rates Collection Fund 2025/26 (50% Pool)		NNDR1 £000	Q1 £000
Net Liability Due		15,241	14,890
Use of Appeals Provision		0	0
Less Cost of Collection Allowance		(97)	(97)
Less Doubtful Debt Provision		(300)	(300)
Less Appeals Provision		(500)	(500)
Less Renewables 100% to RBC		(228)	(228)
Net NNDR due	A	14,116	13,765
Transitional reliefs	B	861	861
Less Precepts		(15,310)	(15,310)
Cash Surplus/(Deficit)	C	(333)	(684)
RBC Share = C x 40%	D	(133)	(274)
Central Government share 50%			(342)
LCC and Fire share 10%			(68)

The business rates collection fund is predicting a deficit of £684k in 2025/26, the Council retains a local share of any surplus or deficit arising at year-end from activity on the fund, in the sum of 40%, thus the Council's share of the deficit would be £274k. This is largely due to the rebasing exercise which took place in 2023/24. Whilst there is an adequate appeals provision within the Collection fund to cover the cash refund due on any appeals, the rateable value reduction of any successful valuation appeals will adversely affect the Council's in-year cashflow, because although the net liability due from the businesses has decreased, under existing legislation, the Council is required to make good its payments to major preceptors as originally assumed, despite a reduction in Collection Fund income. It should be noted however that there are no outstanding appeals from the 2017 list.

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RBC General Fund / Pooling gains		NNDR1 £000	Q1 £000
Business Rates Income	A+B	14,977	14,626
RBC Share = 40%		5,991	5,850
less tariff paid to Lancashire Pool		(3,459)	(3,459)
add S31 Grants (for Levy calculation)	E	2,943	997
Subtotal		5,475	3,388
RBC Baseline Funding Level used in Budget		2,261	2,261
Surplus for Levy Calculations	F	3,214	1,127
Levy due for non Pool membership 50%		(1,607)	(564)
Levy payable as Pool member 10% of above	G	(161)	(56)
Retained Levy through Pool membership		1,446	507

The Council, is part of the Lancashire Business Rates Pool, each year the Council is subject to a levy payment of 50% of calculated business rates growth, above its baseline funding level, as determined annually in the Local Government Finance Settlement. Membership of the Pool restricts this levy to 10% (of the 50% levy) and allows the Council to hold the balance as 'retained levy' thus reducing the total value of sums paid over to central Government, to apply locally. Therefore in addition to the anticipated deficit the Council will generate as above, a pooling gain is estimated of £507k. The February 2025 MTFS included a contribution of an estimated pooling gain of £500k, the current forecast out-turn position is a £7k surplus against that income budget.

Central government also gives authorities Section 31 grants to cover small business reliefs and other government-backed schemes. In the NNDR1 budget submission in January 2025 the estimate for those grants totalled £2,798k.

Business Rates Summary		NNDR1 £000	Q1 £000
Business Rates Surplus/(Deficit) 2024/25		2,415	861
less Lancashire Pooling Levy		(121)	(43)
Renewable Energy		279	279
Overall Gain/(loss)		2,574	1,097
Business Rates Retention Reserve Bfwd		1,028	1,028
Business Rates Cash Surplus/(Deficit) 2023/24		(804)	(804)
Business Rates Cash Surplus/(Deficit) 2024/25		2,574	1,097
Less Budgeted Utilisation		0	0
Total Retained Business Rates Resources Cfwd		2,798	1,321

The table shows the potential impact on the Business Rates Retention Reserve. At the end of Q1 it is anticipated that RBC will transfer an additional £439k (40% of £1,097k) in overall NNDR Gain. This is primarily due to government awards to cover inflationary pressures which had not been accounted for in the MTFS. This is net of the gain on net renewable energy which RBC have previously taken to the Energy reserve and it is anticipated the same will happen in 2025/26.

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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 annual 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.

MUFG Corporate Markets (formerly Link Asset Services)

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) and Department for Levelling Up, Housing and Communities (DLUHC) 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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