

Report Title:	Financial Monitoring Report Quarter 4 2025/26		
Report to:	Cabinet	Date:	15 th July 2026
Report of:	Head of Financial Services	Cabinet Portfolio:	Resources
Cabinet Lead Member:	Councillor Walmsley	Wards Affected:	All
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<input type="checkbox"/> General Exception	<input type="checkbox"/> Special Urgency
Integrated Impact Assessment:	Required:	No	Attached: No
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Valley Plan Priorities	Thriving Local Economy: This involves securing new inward investment, creating a sustainable economy, matching local skills with future job opportunities, and supporting town centres as unique destinations.	<input type="checkbox"/>
	High Quality Environment: This includes having a "clean and green" local environment, reducing the borough's carbon footprint, improving waste and recycling rates, and delivering new homes with a good mix of housing tenures.	<input type="checkbox"/>
	Healthy & Proud Communities: This priority focuses on improving the health and physical/mental wellbeing of residents, reducing health inequalities, ensuring access to better leisure facilities and health services, and fostering a sense of pride in the community.	<input type="checkbox"/>
	Effective & Efficient Council: The aim is to provide good quality and responsive services, embrace new technology, be a financially sustainable council with a commercial outlook, and ensure sound governance.	<input checked="" type="checkbox"/>

1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update on the Council's General Fund Revenue outturn, Collection Fund performance and Capital outturn for the year ended 31st March 2026.
- 1.2 At 31st March 2026, the Council is estimating a favourable variance of £694.2k against an approved net budget for the year of £11,535k. Combined with additional funding of £93k, this results in a forecast contribution to reserves of £212.7k.
- 1.3 The approved Capital Programme for 2025/26 was agreed in the sum of £24,272k. Prior year slippage of £8,510k was added to this, alongside the additional £2,986k which has been approved during the current year. This results in a revised capital programme for 2025/26 of £35,768k. The capital outturn for the year is £9,143k.

2. RECOMMENDATION

- 2.1 That Cabinet note the content of the Q4 financial monitoring report.

3. BACKGROUND AND REASON FOR THE DECISION

- 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.

Revenue

3.2 The March monitoring report for 2025/26 is demonstrating a favourable variance of £694.2k, when compared to an original budget of £11,535k.

3.3 The most notable variances are:

- Income from Bank Interest was higher than anticipated, resulting in a favourable variance of £625.3k against the budgeted income of £225.0k.
- Due to the delayed commencement of capital projects, borrowing was not required during the year and therefore no borrowing interest was incurred. This has generated savings of £300.0k. Borrowing is, however, likely to be required in future years as approved capital projects progress.
- Temporary Accommodation operated within budget. The Housing Options team continued to proactively try to reduce expenditure on B&B accommodation through timely homelessness decisions, comprehensive needs assessments, effective support arrangements, and efficient use of the Council's own temporary accommodation stock. As a result, the average length of stay in B&B accommodation has reduced compared to previous years, delivering savings of £51.3k to the Council.
- Net employee underspends, including salary savings and purchased additional leave, totalled £671.0k. This exceeded the vacancy savings target of £125.0k by £546.0k. Of the total salary savings achieved, £400.0k has been transferred to an earmarked reserve to support future salary-related pressures in subsequent financial years.
- Planning fee income exceeded budget by £118.8k following the receipt of major planning application fees during the year that had not been originally anticipated.
- Operational Functions (including Parks) recorded an overspend of £116.4k, primarily attributable to Vehicle Maintenance and Professional Fees. The Vehicle Maintenance overspend reflects the ongoing cost of maintaining an ageing Refuse and Street Sweep fleet, together with price increases experienced during the year. As at April 2026, the Street Sweep fleet has been replaced. The overspend on Professional Fees related to unbudgeted expenditure incurred to address health and safety requirements across the service.
- Fuel prices were closely monitored throughout the financial year. Fuel budgets for 2025/26 remained at substantial levels totalling £345.0k, including any premium associated with the use of HVO. The Council's policy is to purchase HVO when the price differential is less than 5% compared to white diesel. As both fuel types can be mixed, the most appropriate fuel choice can be determined on an order-by-order basis. For April 2026, the Council's fleet vehicles transitioned to operating on HVO fuel due to the recent spike in fuel prices.
- No contribution has been required from the Council in respect of a potential pension deficit, resulting in additional savings of £157.0k.
- The benefits granted outturn shows an adverse variance of £65.8k. This is due to a shortfall between the housing benefits paid and the subsidy received. This is substantially lower than in previous years.

- Following a review of the Sundry debtors, the Council has increased the level of cover for bad and doubtful debts by £202.2k during 2025/26.

3.4 Full details and explanations are included in Appendix 1.

Capital

3.5 The Capital Receipts brought forward at 1st April 2025 totalled £2,141k.

3.6 The approved Capital Programme for 2025/26 was agreed in the sum of £24,272k, to this was added prior year slippage of £8,510k. An additional £2,986k has been approved in the current year making a revised capital programme for 2025/26 of £35,768k. The estimated capital outturn for the year is £9,143k.

3.7 The Capital Receipts Reserve is expected to total £2,281k at the year-end 2025/26, reflecting the most cost-effective method of financing the Council's future Capital Programme.

Treasury

3.8 At the end of March, the bank balances were £20.2m. These resources continue to be relatively high due to various grant funding, i.e. UKSPF fund, CRP etc. Although interest rates have recently fallen, the Bank Rate has remained high over the past two years. Because of this, and with temporary cash balances available for investment, the Council continued to take a proactive approach to managing its cash in 2025/26. This succeeded in increasing income beyond budget expectations helping to offset rising costs caused by ongoing inflationary pressures. Interest income exceeded the budget for the year by £625.3k.

3.9 Details are included in Appendix 1.

Collection Fund

3.10 Council Tax collection levels are recovering. However, they are still not back to pre-pandemic levels. Business rate collection appears to have struggled to return 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 a surplus of £745k for Rossendale.

3.11 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 2025/26 has ended in line with collection rates in 2024/25.

3.12 The NNDR collection fund is predicting a surplus of £662k with the Council's share being £274k.

3.13 Current estimates are that the Council will benefit from a pooling gain of £691k in 2025/26 through being a member of the Lancashire Business Rates Pool.

3.14 Details are included in Appendix 1.

Earmarked Reserves

- 3.15 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 £16,393.6k.

4. RISK

All the issued raised and the recommendation(s) in this report involved risk considerations as set out below. These risks have impacted 2025/26 and will continue into 2026/27.

- 4.1 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 at approximately 20% 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.
- 4.2 Financial monitoring of General Fund service departments focuses on the key risk areas of employee costs, income, implementation of agreed budget savings, emerging issues (for example, inflationary pressures and rising living costs) and opportunities, in particular service department net expenditure.
- 4.3 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 2027/28 budgets.
- 4.4 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.
- 4.5 If the level of Council Tax support claims increases 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.
- 4.6 The level of future Government funding is currently awaiting the outcome of the Fair Funding Review.

5. SECTION 151 OFFICER COMMENTS (FINANCE)

- 5.1 Robust monitoring of the General Fund and MTFS is essential to control risks expressed in Section 4 above and the Council continues to undertake this.

6. MONITORING OFFICER COMMENTS (LEGAL)

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

7. INTEGRATED IMPACT ASSESSMENT IMPLICATIONS

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

8. POLICY/STRATEGY FRAMEWORK IMPLICATIONS

8.1 There are no specific implications for consideration. Staffing issues have been discussed with colleagues within the People and Policy team.

9. LOCAL GOVERNMENT REORGANISATION IMPLICATIONS

9.1 None.

10. BACKGROUND PAPERS

10.1 Financial Monitoring Report Quarter 4 2025/26: Appendix 1



Appendix 1

Financial Monitoring Report

2025/26 as at end of March 2026

Including a Glossary of terms on page 40

Monthly Financial Monitoring Report 2025/26 Q4 March 2026

General Fund Revenue Operations – pages 4 to 23

Despite the current economic climate continuing to have a significant impact on the Council in Q4, the financial performance has been favourable compared to budget. The outturn position is a favourable variance of £694.2k on the General Fund when compared to the original budget of £11,535.4k. Combined with additional unbudgeted income of £93k, this forecast will result in a contribution to reserves in the year of £212.7k. The significant budget variations are highlighted on pages 4 and 5.

Earmarked Revenue Reserves – page 24

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 closing balance of earmarked reserves at the 31st March 2026, is £16.393.6k. Based on the transfers to and utilisation of reserves during the year, it is anticipated that, at the time of this report, available earmarked reserves will be sufficient to support the budget over the current Medium-Term Financial Strategy (MTFS) period.

The earmarked reserves figure includes ringfenced sums of £3,491.1k, £400k of which relates to salary savings made within the year, this means that the funding was received for specific projects and may be subject to clawback.

Government Grants Unapplied – page 25

The opening value of Government Grants Unapplied at the 1st April 2025 was £6,343.0k of which £2,083.0k 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 £1,580.9k, giving total DFG resources available of £3,663.9k. Of this, £2,147.5k has been utilised in the year resulting in a carried forward balance of £1,516.4k. There are also balances brought forward of £3,069.0k relating to the Capital Regeneration Programme, £493.0k relating to the Local Authority Housing Fund, £528.0k relating to the DEFRA Waste Capital Fund and £170.0k relating to Long Term Plans for Towns.

Due to delays with some of the Capital projects, and additional funding received in the year, a balance of £13,592.9k of unapplied grants will be carried forward into 2026/27.

Staff Monitoring – page 26

The table on page 26 presents the staffing variances for the year based on Q4 actuals. The underspend for the year is £630k. Additional leave contributes a further £41k. An annual savings target of £125k was set for the current year; however, based on year-end transactions, total savings of £546k have been achieved, significantly exceeding this target. Of the salary savings; £400k (excluding externally funded posts) have been transferred to an earmarked reserve to support future salary-related pressures in subsequent financial years.

Treasury & Cash Management - page 27 to 32

At 31st March 2026, the Council's bank balances were £20.2m. When compared with previous years, these resources are relatively high and this is due to various grants which have been received, i.e., UK SPF, CRP, etc. Although interest rates have fallen in recent months, the Bank of England Base Rate has remained comparatively high over the past two years. As a result, and with temporary cash balances available for investment, the Council has continued to adopt a more proactive approach to treasury management throughout 2025/26. This approach has aimed to maximise interest income beyond budgeted levels and help mitigate the impact of

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rising costs caused by ongoing inflationary pressures. Interest income has exceeded the budget for the year, resulting in a favourable variance of £625.3k.

The provision for doubtful debt at the 1st of April 2025 was £641.8k, plus a further £5.4k set aside for licensing debt. Following a full review of the debtors ledger, the council has increased the level of cover by £202.2k in 2025/26.

Capital Receipts – page 32

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 £7,638k (including DFG Funding).

On current assumptions, the Capital Receipts Reserve is expected to total £2,281k at the year-end 2025/26, reflecting the most cost-effective method of financing the Council's future Capital Programme.

Capital Programme and Funding – pages 33 to 36

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 £8,510k, including £3,902k of the Capital Regeneration Projects and £1,792k of DFGs.

The capital outturn at 31st March 2026 is spend in the sum of £9,143k, which includes:

- The purchase of five properties to assist with temporary housing, using the Local Authority Housing Fund;
- Completion of the Junior play area at Whittaker Park;
- Commencement of the Marl Pits Decarbonisation programme;
- The purchase of three additional food waste vehicles using the DEFRA Waste collection grant.

The reduced outturn is mostly due to delays to the Waste Transfer Station, the 3G pitch upgrades and the Capital Regeneration Programme, which has benefited from a deadline extension into the following year.

Collection Fund 2025/26 (Council Tax & NNDR) - pages 37 to 39

Council Tax collection levels are recovering. However, they are still not back to pre-pandemic levels. Business rate collection appears to have struggled to return 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 showing a surplus of £175k for Rossendale.

The business rates collection fund is predicting a deficit of £237k in 2025/26, the Council's share of this deficit is £95k. 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.

Although it is anticipated the Council will suffer a collection fund loss, a pooling gain of £1,178k is estimated. The February 2025 MTFS included a pooling gain contribution of £500k, therefore if the current forecast remains at year end, it will result in a £678k deficit against that income budget, thus contributing towards pressure on the MTFS.

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General Fund Summary - Quarter 4 2025/26

Service Area	2025/26 App Budget £000	2025/26 Q4 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,864.8	1,542.3	322.6	(198.3)	520.9
Operational Functions	2,706.8	2,702.2	4.6	(29.7)	34.3
Parks and Cemeteries	1,006.6	1,127.5	(121.0)	(149.6)	28.7
Public Protection Unit	265.3	251.8	13.6	27.1	(13.6)
Environmental Health	242.4	229.6	12.8	22.0	(9.2)
Licensing & Enforcement	36.8	19.4	17.4	24.1	(6.7)
Communities Team	182.8	186.1	(3.3)	32.2	(35.6)
Economic Development Directorate					
Planning Services	454.7	392.5	62.2	181.5	(119.3)
Building Control Services	13.5	(31.9)	45.4	12.7	32.7
Regeneration	258.5	371.0168	(112.5)	(86.3)	(26.2)
Property Services	220.7	318.5	(97.8)	(55.5)	(42.3)
Housing	299.5	213.9	85.6	(8.0)	93.6
Corporate Management Directorate					
Corporate Management	491.9	454.9	37.0	(8.2)	45.2
Legal Services	202.2	187.0	15.1	12.6	2.5
Local Land Charges	20.5	21.3	(0.8)	21.9	(22.7)
Democratic Services	611.3	580.4	30.9	50.3	(19.4)
Financial Services	588.9	814.2	(225.3)	(8.6)	(216.7)
People and Policy	945.6	974.0	(28.4)	97.3	(125.8)
Non Distributed Costs	235.3	490.8	(255.6)	(35.1)	(220.5)
Capital Financing and Interest	818.7	(36.3)	855.0	656.2	198.9
Leisure Services	(31.9)	(46.2)	14.3	(41.2)	55.5
Empty Homes Scheme	100.6	78.3	22.3	58.0	(35.8)
TOTAL Service Cost	11,535.4	10,841.3	694.2	575.6	118.6
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)	(111.0)	18.0	-	18.0
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)	-	-	-
Employers NI Contribution Scheme	-	(75.0)	75.0	-	75.0
LESS Estimated use of Reserves	(574.4)	212.7	(787.2)	-	(787.2)
Net Budget Shortfall	0.0	0.0	0.0	0.0	(575.6)

The position at Q4 2025/26 shows a favourable variance of £694.2k.

The main variances are shown below: -

- Income from Bank Interest was higher than anticipated, resulting in a favourable variance of £625.3k against the budgeted income of £225.0k.
- Due to the delayed commencement of capital projects, borrowing was not required during the year and therefore no borrowing interest was incurred. This has generated savings of £300.0k. Borrowing is, however, likely to be required in future years as approved capital projects progress.
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- Net employee underspends, including salary savings and purchased additional leave, totalled £671.0k. This exceeded the vacancy savings target of £125.0k by £546.0k. Of the total salary savings achieved, £400.0k has been transferred to an earmarked reserve to support future salary-related pressures in subsequent financial years.
- Planning fee income exceeded budget by £118.8k following the receipt of major planning application fees during the year that had not been originally anticipated.
- Operational Functions (including Parks) recorded an overspend of £116.4k, primarily attributable to Vehicle Maintenance and Professional Fees. The Vehicle Maintenance overspend reflects the ongoing cost of maintaining an ageing Refuse and Street Sweep fleet, together with price increases experienced during the year. As at April 2026, the Street Sweep fleet has been replaced. The overspend on Professional Fees related to unbudgeted expenditure incurred to address health and safety requirements across the service.
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- No contribution has been required from the Council in respect of a potential pension deficit, resulting in additional savings of £157.0k.
- The benefits granted outturn shows an adverse variance of £65.8k. This is due to a shortfall between the housing benefits paid and the subsidy received. This is substantially lower than in previous years.
- Following a review of the Sundry debtors, the Council has increased the level of cover for bad and doubtful debts by £202.2k during 2025/26.

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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	(0.3)	-	(1.4)	5.9	
Benefits Admin Subsidy shortfall	(65.9)	16.9	(157.8)	160.0	(46.8)	
Court costs rewarded				282.1	282.1	
Central IT Costs	(9.1)	(20.0)	45.4	91.7	108.0	
Other minor variances	2.5	(4.6)	(13.0)	(11.5)	(26.6)	322.6
Operational Functions Including Parks						
Staff Costs (including agency and overtime)	(12.1)	61.0	14.2	(41.0)	22.1	
Computer Software and Equipment	-	(43.0)	30.0	4.5	(8.5)	
Professional Fees	-	(32.4)	73.0	(4.0)	36.6	
Fuel, Vehicle Maint and Hire	(124.5)	(3.2)	(14.8)	46.7	(95.8)	
Trade, Bulks and Residual Waste Net Income	10.0	27.5	-	62.5	100.0	
Garden Waste Net Income	(14.0)	6.7	2.3	(1.3)	(6.3)	
Public Open Spaces, Playfields and Playgrounds	(93.7)	6.6	(14.1)	40.4	(60.8)	
Cemeteries Net Income	(14.1)	(48.7)	(1.8)	(49.7)	(114.3)	
Other Minor Variances	8.1	(3.0)	0.6	4.8	10.6	(116.4)
Communities Team						
Staff Costs	37.8	(4.4)	2.3	(35.8)	(0.1)	
Other minor variances	(1.4)	6.3	(8.3)	0.3	(3.2)	(3.3)
Env'tal Health, PPU, Licensing and Enforcement						
Staff costs	54.0	10.2	(0.7)	(63.0)	0.4	
Service area running costs				11.7	11.7	
Income Surplus	0.3	-	3.9	5.3	9.5	
Consultant fees / Dog boarding services				13.5	13.5	
Other minor variances	3.8	1.5	0.3	3.0	8.5	43.7
Economic Development						
Staff costs (net of grant & fee income)	43.9	93.4	15.1	(24.7)	127.8	
Economic Development	(1.6)	0.2	(56.8)		(58.2)	
Museum	(0.7)	(2.6)	-	(22.8)	(26.1)	
Tourism	(0.3)	(40.3)	(0.5)	5.3	(35.8)	
Market Income	(15.6)	(23.3)	(22.8)	(22.6)	(84.3)	
Climate Change	-	(43.7)	-	9.4	(34.3)	
Housing	(26.1)	(82.6)	88.7	93.3	73.3	
Planning Degree Tuition Fees	-	(13.0)	-		(13.0)	
Planning Consultancy Professional fees	(2.4)	(32.8)	(23.3)	9.4	(49.1)	
Planning Application Fee Income	23.7	228.6	1.1	(134.6)	118.8	
Planning Pre-apps	(1.2)	1.6	5.7	7.3	13.4	
Reimbursement relating to a planning appeal	-	-	(12.7)		(12.7)	
Building Control Fee Income	4.8	5.5	(3.8)	30.4	37.0	
Planning /Building Control misc under/over	(3.1)	2.5	(5.4)	7.2	1.2	
Property Running costs	(19.1)	12.3	(28.9)	46.3	10.6	
Business Rates	(12.0)	(7.9)	-		(19.9)	
Spinning Point bus station	1.3	(8.6)	(11.0)	(1.0)	(19.3)	
Estates Income	14.5	81.0	(7.8)	(75.0)	12.7	
Valuation Fees & Professional Fees	(13.3)	(0.4)	5.3	12.2	3.8	
Boilers / Alarms / lifts / emergency Lighting	(12.2)	3.4	(4.7)	(13.1)	(26.6)	
Business Centre rentals	(27.2)	8.1	(1.0)		(20.1)	
Tree Felling / knotweed treatment	(22.0)	-	(1.0)		(23.0)	
Other minor variances	(6.0)	5.2	(4.2)	11.4	6.4	(17.1)
Corporate Management						
Staff costs	115.6	49.2	4.6	(124.2)	45.1	
Legal income	1.1	(0.6)	(3.3)	1.9	(0.9)	
Legal Professional fees and ref books	5.4	-	-	8.5	13.9	
Election, Democratic Services and Member costs	19.4	(0.9)	1.4	7.0	26.9	
Land Charges income	(5.2)	2.2	0.2	4.1	1.3	
Land Charges Grant Income	20.0	4.0	-	-	24.0	
Internal and External Audit - Finance	8.5	43.0	(62.2)	18.9	8.2	
Leisure Review	-	(39.3)	-	-	(39.3)	
Bank & Cash Collection Charges	10.0	(5.0)	(16.3)	4.2	(7.1)	
Training	1.5	-	-	(20.2)	(18.7)	
Empty Homes	59.2	0.8	(2.0)	(35.8)	22.2	
Conferences & Travel	-	(13.3)	5.1	1.3	(6.9)	
Annual Licences	-	(18.0)	-	8.5	(9.5)	
Expected reserve income not utilised	-	-	-	(206.3)	(206.3)	
Other minor variances	10.1	(12.6)	(0.5)	15.2	12.3	(134.8)
Non-Distributed Costs & Capital Financing						
Original staff savings target (actuals now above)	(96.9)	35.0	(23.3)	1.0	(84.2)	
Net Interest	152.7	222.3	350.0	200.3	925.3	
Employee & Pension Costs	85.0	125.2	(20.8)	(19.0)	170.4	
Increase in Bad debt provision				(202.2)	(202.2)	
Increase in MRP Contribution	(68.8)	-	-	(1.7)	(70.5)	
Other Corporate	-	(69.1)	(70.2)	-	(139.3)	599.5
Favourable/(adverse) variance	32.6	486.6	56.4	118.6	694.2	694.2

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Communities Directorate - Customer Services & IT

Period 12 (Mar)

Customer Services & ICT	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q4 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Customer Services							
Benefits Administration	(114.2)	-	(114.2)	(122.1)	8.0	10.9	(2.9)
Benefits Granted	(122.3)	-	(122.3)	(114.5)	(7.8)	(86.4)	78.6
Local Tax Collection	(250.8)	-	(250.8)	(485.0)	234.2	(110.1)	344.3
Revenues & Benefits Partnership	1,200.0	-	1,200.0	1,199.7	0.3	(21.2)	21.5
Strategic Functions							
Management and Support	86.8	-	86.8	86.5	0.3	1.8	(1.5)
Service Assurance Team	122.6	-	122.6	160.8	(38.2)	(25.1)	(13.1)
Central Telephones	5.0	-	5.0	5.3	(0.3)	(0.5)	0.2
ICT Support	937.6	-	937.6	811.5	126.1	32.2	93.9
Total	1,864.8	-	1,864.8	1,542.3	322.6	(198.3)	521.0

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	2.5	0.1	2.6
Benefits Granted			
Benefits Admin Subsidy shortfall	(74.2)	8.4	(65.8)
Discretionary Housing Payment	-	70.0	70.0
Debit Credit Card Collection Charges	7.8	2.8	10.6
Business Rates Levy	(119.4)	60.0	(59.5)
Other minor variances	(2.3)	(2.7)	(5.0)
Local Tax Collection			
Collection Fund Prior Year Adjustment	-	281.5	281.5
Revenues & Benefits Partnership			
Partnership contracts	(21.2)	21.5	0.3
Management and Support			
CS Staff	-	1.5	1.5
Other minor variances	1.8	(1.5)	0.3
Service Assurance Team			
SAT staffing	3.8	(0.2)	3.6
Annual Licences	(6.8)	9.4	2.6
Transfer to Reserves	-	(15.0)	(15.0)
Consultants Fees	(5.1)	-	(5.1)
Other minor variances	(16.8)	(3.6)	(20.4)
ICT Support			
ICT Staff	3.5	0.1	3.6
Other minor variances	0.6	-	0.6
Central IT Costs			
Annual Licences	56.2	81.4	137.6
IT Equipment Maintenance	(33.8)	3.2	(30.6)
Other Private contractors (Disaster Recovery)	1.5	(3.8)	(2.3)
Other minor variances	4.2	16.4	20.6
Telephones			
Other minor variances	(0.5)	0.2	(0.3)
Salary saving movement to reserves	-	(8.7)	(8.7)
TOTAL	(198.3)	521.0	322.6

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Customer Service & ICT Highlight Report – Q4 (March 2026)

Current Quarter

The outturn variance is £322.6k favourable, the main movements being: -

- The benefits granted outturn shows an adverse variance of £65.8k, due to the Housing Benefits subsidy being less than budgeted.
- The actual expenditure relating to the Business Rates levy for 2025/26 is £59.5k.
- £70k Income, relating to Discretionary Housing payments, has been received in the year. This had not been included in the initial budget.
- IT Equipment maintenance shows an adverse variance of £30.6k due to the purchase of additional IT equipment for use at Futures Park.
- The IT Licences budget is reporting a £137.6k favourable variance. Licence needs are reviewed during the year, with adjustments made for costs relating to future periods. Where invoices are outstanding, estimates (including inflation) are applied and then updated to actuals once received.

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Communities Directorate

Period 12 (Mar)

Operations & Communities	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q4 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Operational Functions							
Operations Admin & Vehicle Maintenance	572.4	-	572.4	566.8	5.6	6.1	(0.5)
Refuse & Recycling	1,768.0	-	1,768.0	1,721.9	46.1	46.5	(0.5)
Street Sweeping	366.4	-	366.4	413.5	(47.1)	(82.4)	35.2
Parks & Cemeteries							
Parks & Open Spaces	1,173.9	(152.9)	1,021.0	1,027.0	(6.0)	(76.1)	70.1
Cemeteries	(167.3)	152.9	(14.5)	100.6	(115.0)	(73.6)	(41.4)
Communities Team							
Area Forums	162.8	5.0	167.8	171.1	(3.3)	32.2	(35.6)
	15.0	-	15.0	15.0	-	-	-
Total	3,891.1	5.0	3,896.1	4,015.8	(119.7)	(147.1)	27.4

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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			
Henrietta Street Staffing	60.8	4.3	65.1
Fleet Management Staffing	111.1	-	111.1
Fleet Management Agency	(172.0)	(0.3)	(172.3)
Vehicle Maintenance (including Tyres, Parts and MOTs)	(12.3)	0.6	(11.7)
Professional Fees	-	(4.0)	(4.0)
Purchase of Tools and Equipment	4.0	2.5	6.5
General Subscriptions	-	2.3	2.3
External Printing and Canvass Payments	15.8	(8.3)	7.5
Computer Software / Equipment	(2.4)	4.5	2.1
Miscellaneous Variances	1.1	1.8	2.9
Refuse & Recycling			
Refuse Staffing and Agency	75.4	(12.2)	63.2
Fuel Costs	65.0	22.2	87.2
Garden Waste Income	(5.1)	(1.2)	(6.3)
Residual - Sacks & Bag and Sale of Green Bins	12.0	(1.1)	10.9
Refuse Fleet - Tyres etc	(15.0)	3.8	(11.2)
Vehicle Tracking Lease	(6.0)	(1.6)	(7.6)
Trade Waste - Tipping Fees	(5.0)	8.5	3.5
Vehicle Maintenance and MOTs	(72.1)	(17.3)	(89.4)
Hire of Vehicles and Plant	-	5.2	5.2
Trade Waste - income	(5.7)	12.1	6.4
Bulks Income - Professional Services	(5.0)	10.3	5.3
Refuse Bins	5.0	33.8	38.8
Miscellaneous Variances	3.0	0.4	3.4
Street Sweeping			
Street Sweeping Salaries and Agency	0.8	2.1	2.9
Vehicle Maintenance and MOTs	(47.7)	12.8	(34.9)
Hire of Vehicles and Plant	(13.9)	5.1	(8.7)
Tyres and Sweeper Brushes	(17.5)	1.2	(16.3)
Refuse Bins	(5.0)	2.8	(2.2)
Other Private Contractors	-	11.4	11.4
Highways Income	-	2.5	2.5
Miscellaneous Variances	1.0	0.1	1.1
Parks & Open Spaces			
Parks and Open Spaces Staffing	19.6	(7.3)	12.3
Parks and Open Spaces - Agency Staffing	(41.1)	0.4	(40.7)
External Contractors	(9.1)	(0.2)	(9.4)
Miscellaneous Insurance Savings	6.7	-	6.7
Purchase of Tools and Equipment	5.0	6.1	11.1
Fuel	(5.0)	8.1	3.1
Tyres	4.0	2.5	6.5
Vehicle Maintenance and MOTs	2.0	5.0	7.0
Upkeep of Parks and Playing Fields	(7.7)	(0.7)	(8.4)
Public Open Space and Play Areas	12.7	4.7	17.4
Other Professional Fees	(50.0)	(2.0)	(52.0)
Insurance Claims Settled	10.0	(2.9)	7.1
Computer Software Purchases	(25.9)	-	(25.9)
Highways Income	-	10.2	10.2
Miscellaneous Variances	2.9	17.7	20.6
Cemeteries			
Cemeteries Staffing	8.6	0.3	8.9
Cemeteries - Agency Staffing	(21.3)	1.0	(20.3)
Running Costs	12.7	11.1	23.8
Cemetery Income & Internment Fees	(3.7)	7.7	4.0
Other Professional Fees	(51.2)	(86.0)	(137.2)
Direct Costs - Cemeteries General	(18.7)	12.3	(6.4)
Communities			
Communities staffing	35.8	4.7	40.5
Misc Variances	(3.6)	0.3	(3.3)
Salary saving movement to reserves	-	(69.8)	(69.8)
TOTAL	(147.1)	27.4	(119.7)

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Operations Highlight Report – Q4 (March 2026)

Historic Issues

- This service has historically required support from Agency staff and this reliance has continued throughout 2025-26, albeit at a reduced level.
- While fuel prices have exhibited volatility in recent years, they stabilised during 2023-24, and remained stable for the majority of the 2025-26 period. During March 2026, fuel prices increased significantly due to wider economic instability. This instability could potentially result in continued volatility and increased fuel costs in future financial periods. For April 2026, the Council's fleet vehicles have transitioned to operating on HVO fuel.

Operations and Green Spaces are showing an adverse variance of £116.4k, which is broken down as detailed below: -

Henrietta Street

- At Q4, Henrietta Street had a reported underspend of £82.4k.
- Of this variance, £65.1k is attributable to savings on employee-related costs, arising from a number of vacant posts held throughout the financial year.
- The remaining underspend of £17.3k relates to reduced expenditure across a number of budget areas, including External Printing and Canvass Payments (£7.5k), Purchase and Hire of Tools and Equipment (£6.5k), and Computer Equipment and Software (£2.1k).

Fleet

- At Q4, Fleet had a reported overspend of £72.9k.
- Throughout the financial year, this department has had two vacant posts which have been covered by higher-cost agency staff. The £111.1k saving on staffing posts has been offset by £172.3k of unbudgeted Agency spend, resulting in a total overspend of £61.2k for the year.

Refuse

- At Q4, Refuse had a reported underspend of £109.3k.
- Of this variance, £63.2k relates to employee-related savings, despite the continued requirement for Agency Staff to provide cover for sickness absence and additional resourcing needs.
- Garden Waste income was £6.3k below budget at year-end. However, this underachievement was fully offset by a £10.9k surplus on Residual net income together with a £5.3k surplus on Bulks net income.
- Trade Waste net income is reported to have an overachievement of £6.4k, primarily driven by the £18.1k overachievement in Food Waste income.
- The most significant area of overspend relates to Vehicles, with a reported overspend of £15.8k. This position reflects cost pressures within Vehicle Maintenance (£89.4k), Tyre Renewal and Repairs (£11.2k), and the Vehicle Tracking Lease (£7.6k). These pressures have been largely mitigated by savings of £87.2k of fuel expenditure.

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Street Sweep

- At Q4, Street Sweep had a reported overspend of £44.2k.
- The Street Sweep service has reported an overspend primarily due to pressures in Vehicle Maintenance (£34.9k), Sweeper Brushes and Tyre Renewals / Repairs (£16.3k) and Hire of Vehicles and Plant (£8.7k). These costs reflect the ongoing maintenance requirements of an ageing street sweep fleet. The two larger vehicles are scheduled for replacement in early 2026-27.
- The overspend on Vehicles has been partially offset by cost savings relating to Other Private Contractors (£11.4k).

Parks

- At Q4, Parks reported an overspend of £34.4k.
- The most significant pressure within the service relates to essential health and safety works associated with tree management. This reflects a national issue, and the Council remains committed to adopting best practice in managing and mitigating associated risks.
- At Q4, Playing Fields and Pitches reported an overspend of £8.4k, whilst Play Areas reported an underspend of £17.4k.

Cemeteries

- At Q4, Cemeteries reported an overspend of £127.3k, primarily driven by unbudgeted expenditure of £137.2k in Other Professional Fees. These fees are associated with ongoing health and safety requirements.
- Staffing costs within the service exceeded budget by £12.3k, reflecting the use of higher-cost agency staff to support additional resourcing requirements.
- Cemetery income totalled £298.3k, resulting in a £4.0k surplus against budget. In addition, the service reported an underspend of £23.8k in cemetery running costs, primarily due to enhanced energy efficiency measures.

The reported salary savings have been transferred to an earmarked reserve to support future salary-related pressures in subsequent financial years.

The Future

The Government stipulated that all households must receive a weekly food waste collection service by April 2026. Rossendale Borough Council commenced the rollout of weekly food waste collections in early April 2026.

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Communities Directorate

Period 12 (Mar)

Public Protection	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q4 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Public Protection Unit	235.0	30.4	265.3	251.8	13.6	27.1	(13.5)
Environmental Health	242.4	-	242.4	229.6	12.8	22.0	(9.2)
Licensing & Enforcement	67.1	(30.4)	36.8	19.4	17.4	24.1	(6.7)
Total	544.6	-	544.6	500.8	43.7	73.2	(29.6)

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr £000
PPU			
PPU Staffing / Agency	17.2	3.5	20.7
PPU running costs	-	4.9	4.9
Dog boarding Services	6.3	0.8	7.1
Environmental Health			
Environmental Health - staffing and consultant	26.4	24.5	50.9
Consultant Fees	-	12.7	12.7
Environmental Health - Fees & Charges	(6.0)	1.4	(4.6)
Licensing			
Licensing & Enforcement - staffing	17.1	4.2	21.3
Licensing running costs	3.2	6.8	10.0
Taxi Licensing Income	3.5	(0.4)	3.1
Miscellaneous Licences	(1.3)	3.1	1.8
Animal Licensing			
Animal Licensing Staffing	2.8	0.0	2.8
Animal Licensing income	0.4	0.9	1.3
Pool Car	0.6	0.2	0.8
Other misc variances	3.0	3.2	6.2
Salary saving movement to reserves	-	(95.3)	(95.3)
TOTAL	73.2	(29.6)	43.7

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Environmental Health, Public Protection Unit and Licensing and Enforcement Service Highlight Report – Q4 March 2026)

PPU are showing a favourable variance of £43.7k, which is broken down as detailed below: -

Public Protection Unit

- The staffing costs are showing a saving of £20.7k.
- The cost of dog services has ended the year with an underspend of £7.1k. The costs from the kennels and vet charges are lower than anticipated.

Environmental Health

- The staffing costs are showing a saving of £50.9k. The service area has two long term vacant posts and a third became vacant in October. An Environmental Officer has been appointed in January 2026.
- Income streams within Environmental Health improved in Q4 and have ended the year with a shortfall of £4.6k.

Licensing

- The staffing costs are showing a saving of £21.3k.
- All income streams have ended the year with a £3.1k over achievement.

Animal Licensing

- The staffing costs are showing a saving of £2.8k.
- Service area running costs are within budget at the end of the year.

The reported salary savings have been transferred to an earmarked reserve to support future salary-related pressures in subsequent financial years.

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Economic Development Directorate

Period 12 (Mar)

Economic Development & Regeneration Services	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q4 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Planning							
Development Control	285.8	-	285.8	226.6	59.2	163.0	(103.7)
Forward Planning	168.9	-	168.9	165.9	3.0	18.5	(15.6)
Building Control							
Building Control - Fee Earning Account	(26.2)	-	(26.2)	(63.5)	37.2	6.5	30.7
Building Control - Statutory Function	35.7	-	35.7	35.0	0.8	0.7	0.1
Building Control - Street Signs	4.0	-	4.0	(3.4)	7.4	5.6	1.9
Regeneration							
Economic Regeneration	173.7	-	173.7	107.9	65.9	62.4	3.4
Whitaker Park Museum	34.0	-	34.0	57.8	(23.8)	(2.3)	(21.5)
Tourism	33.5	(5.0)	28.5	64.2	(35.7)	(41.0)	5.3
Markets	20.5	-	20.5	105.0	(84.6)	(61.7)	(22.8)
Climate Change	1.8	-	1.8	36.2	(34.3)	(43.7)	9.4
Property Services & Facilities Management							
Property Services	39.2	-	39.2	(15.3)	54.5	14.3	40.2
Corporate Estates	(320.8)	-	(320.8)	(382.9)	62.2	140.2	(78.0)
Non Domestic Estates	(120.9)	-	(120.9)	(157.3)	36.4	32.4	4.0
Office Accommodation	(16.7)	-	(16.7)	53.1	(69.9)	(70.0)	0.2
Operational Properties	288.1	-	288.1	410.2	(122.1)	(103.8)	(18.2)
Leisure Properties	66.6	-	66.6	99.3	(32.7)	(20.7)	(12.0)
Bus Shelters	148.3	-	148.3	136.5	11.8	8.2	3.6
Business Centre	136.9	-	136.9	174.9	(38.0)	(56.1)	18.0
Strategic Housing							
Housing Strategy	41.7	-	41.7	41.4	0.3	1.0	(0.7)
Private Sector Housing Renewals	11.0	0.0	11.0	-	11.0	2.4	8.6
Homelessness	246.8	-	246.8	172.5	74.3	(11.5)	85.7
Total	1,251.9	(5.0)	1,246.9	1,263.9	(17.1)	44.5	(61.5)

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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	16.5	2.7	19.2
Planning staffing	(0.6)	0.1	(0.5)
Planning Degree training costs	(13.0)	-	(13.0)
Planning Consultancy fees/ Legal fees	(58.5)	9.4	(49.1)
Reimbursement relating to a planning appeal	(12.7)	-	(12.7)
Planning Application Fee Income	253.4	(134.6)	118.8
Pre-App Income	6.1	7.3	13.4
Other Miscellaneous Variances	(5.1)	2.3	(2.8)
Building Control			
Building Control staffing	2.6	0.4	3.0
Building Control Fees	4.2	32.8	37.0
Building Control - Statutory Function	-	-	-
Building Control - Street Signs	4.9	1.8	6.7
Other Miscellaneous Variances	(3.5)	0.8	(2.7)
Regeneration			
Economic Regeneration Staffing	120.7	4.7	125.4
Economic Regeneration - Other Miscellaneous Variances	(58.2)	(2.9)	(61.1)
Tourism - Other Miscellaneous Variances	(41.0)	5.3	(35.7)
Markets Income Under Achieved	(61.8)	(22.6)	(84.4)
Climate Change - Staffing and Associated Costs	(43.7)	9.4	(34.3)
Whitaker Park Museum	(2.4)	(22.8)	(25.2)
Strategic Housing			
Housing Strategy Staffing	0.7	0.2	0.9
Private Sector Housing Renewals Staffing	2.4	-	2.4
Homelessness Staffing and Agency	8.2	(1.3)	6.9
Grant Contribution for Admin	-	8.7	8.7
Payment of Bonds and first months rent (Savings)	36.8	4.4	41.2
Costs for Resources on Homelessness excluding B&B costs underspent	(22.8)	46.4	23.6
(B&B) Homelessness Accommodation costs	-	51.3	51.3
Housing Benefit monies received	71.0	(45.9)	25.2
Recharge of HB Subsidy shortfall	(104.0)	37.0	(67.0)
Other Miscellaneous Variances	(0.2)	0.3	0.1
Property Services Team			
Property Services staffing	14.0	(1.2)	12.8
Emergency Planning, Xmas Lights	(2.2)	(5.0)	(7.2)
Corporate Estates			
Corporate Estates rental income	69.7	(56.9)	12.8
Futures Park rental income	6.0	12.2	18.2
Valuation Fees	3.4	11.9	15.3
Professional Fees	(10.5)	(18.9)	(29.4)
Operational Properties			
Property Running Costs: Repairs & Maintenance	(8.2)	15.3	7.1
Gas, Electricity, Water	1.8	29.1	30.9
NNDR	(12.0)	-	(12.0)
Boilers / Alarms / Lifts / Emergency Lighting	(13.5)	(6.7)	(20.2)
Tree Felling	(20.0)	-	(20.0)
Knotweed Treatment	(3.0)	-	(3.0)
Leisure Properties	-	(30.0)	(30.0)
Bus Station / Shelters			
Spinning Point Bus Station running costs	(18.3)	(1.0)	(19.3)
Spinning Point Bus Station - Departure charges	-	-	-
Bus Shelters	(0.2)	0.2	-
Business Centre			
Business Centre running costs	(37.2)	19.0	(18.2)
Business Centre rentals	(20.1)	(0.1)	(20.2)
Business Centre Fit Tarrif	(2.0)	2.3	0.3
Other Miscellaneous Variances	(3.2)	3.2	-
Salary saving movement to reserves	-	(30.3)	(30.3)
TOTAL	44.5	(61.5)	(17.1)

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Economic Development & Regeneration Highlight Report – Q4 (March 2026)

Planning & Building Control are showing a favourable variance of £117.3k, which is broken down as detailed below: -

- Planning/Forward Planning staffing (including agency) costs are showing a favourable variance of £5.7k. All vacant posts have now been filled.
- Consultancy costs have ended the year overspent by £49.1k. This figure improved during Q4.
- Building Control staffing costs are underspent by £3.0k at the end of the year.
- The Planning fee income have ended the year with surplus of £118.8k; during the year there have been major planning application fees received which were not anticipated.
- Pre-application fees are overachieving the income budget target by £13.4k.
- Building Control income has exceeded the income target by £37.0k.
- A planning application won an appeal and the applicant was reimbursed £12.7k.

Economic Regeneration has an adverse variance of £115.3k, which is broken down as detailed below: -

- Economic Regeneration staffing costs are showing a favourable variance of £125.4k, attributable to the External Funding Recharge, which enables eligible staff costs to be recovered through external funding and grant allocations.
- Markets have an adverse variance of £84.4k against budget, covering both Rawtenstall and Haslingden market, which are now fully operational. Despite Rawtenstall Market's strong performance during the financial year, the planned closure of the market and establishment of the temporary market resulted in costs being higher than originally anticipated. Haslingden Market has operated at a loss during its first year of trading, as it continues to develop its customer base.
- The Museum has an overspend of £25.2k, mainly due to essential premises-related expenditure. There has also been an unbudgeted spend of £4.2k in Other Professional Fees.
- Tourism has an overspend of £35.7k, due to a one-off unbudgeted cost.

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Housing has a favourable variance of £93.4k which is broken down as detailed below: -

- Staffing costs are showing a favourable variance of £10.2k due to staff being appointed at lower scale points than originally budgeted.
- Expenditure relating to bonds provided to support the provision of temporary accommodation totalled £58.8k, resulting in an underspend of £41.2k compared to budget.
- Temporary accommodation expenditure has reversed previous trends and is within budget at year-end. The Housing Options team has continued to work proactively to reduce the Council's use of B&B accommodation through timely homelessness decisions, through needs assessments, effective support within temporary accommodation, and efficient use of the Council's own temporary accommodation stock. This contributed to a reduction in the average length of stay in B&B accommodation during Q4. Although the average length of stay increased slightly towards the end of the financial year due to increased homelessness demand, it has remained significantly lower compared to previous financial years. This resulted in a cost saving of £51.3k for the Council.
- Rossendale Borough Council also received additional Housing Benefit from DWP to offset direct B&B accommodation costs charged to the Housing Options Team, covering approximately 1/7th of the costs incurred. The reduction in B&B usage also reduced the Housing Benefit income received and, consequently, the associated subsidy shortfall. Overall, this resulted in a year-end overspend of £41.9k.
- Other budgeted homelessness resource costs underspent by £23.8k.
- In line with grant conditions, the administration recharge to revenue from the Disabled Facilities Grant (DFG) was higher than originally budgeted due to increased capital expenditure during the year, resulting in a favourable variance of £8.7k against budget.

Property Services and Facilities Management is currently projecting an adverse variance of £82.1k. This is broken down as detailed below: -

- Salary costs are showing a favourable variance of £12.8k. The vacant manager post has now been appointed to.
- Property running costs have ended the year with an adverse variance of £31.7k.
- Valuation fees / professional fees are showing an overspend of £14.0k.
- The Business Centre room hire has underachieved by £20.2k. The Property team are looking to increase tenant occupancy to reduce this deficit in future periods. During this financial year, further units have successfully been leased.
- Tree Felling costs across unmaintained land were £20.0k. These are all unbudgeted costs.

The reported salary savings have been transferred to an earmarked reserve to support future salary-related pressures in subsequent financial years.

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Corporate Services Directorate

Period 12 (Mar)

Corporate Management	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q4 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Corporate Management							
Executive Office	399.4	-	399.4	406.0	(6.6)	(6.7)	0.2
Corporate Contingency	37.5	-	37.5	(8.4)	45.9	10.5	35.3
Corporate Subscriptions	55.0	-	55.0	57.3	(2.3)	(12.0)	9.7
Legal Services	202.2	-	202.2	187.0	15.1	12.6	2.5
Land Charges	20.5	-	20.5	21.3	(0.8)	21.9	(22.7)
Democratic Services							
Electoral Registration	96.7	-	96.7	96.7	0.0	10.9	(10.9)
Elections	89.8	-	89.8	77.3	12.5	1.5	11.0
Democratic Support	345.9	-	345.9	328.4	17.5	22.1	(4.6)
Mayoralty & Civic Events	76.4	-	76.4	75.5	0.9	15.8	(14.9)
Town Twinning	2.5	-	2.5	2.5	(0.0)	-	(0.0)
Financial Services							
Treasury Management	198.8	-	198.8	174.3	24.5	(22.0)	46.4
Insurance, Risk & Audit Fees	65.1	-	65.1	92.9	(27.8)	(0.3)	(27.5)
Financial Services	325.1	-	325.1	547.0	(221.9)	13.7	(235.6)
People & Policy							
Human Resources	597.9	-	597.9	632.8	(34.9)	48.4	(83.3)
Corporate Support	347.7	-	347.7	341.2	6.5	48.9	(42.5)
Publicity	-	-	-	-	-	-	-
Leisure Services	(31.9)	-	(31.9)	(46.2)	14.3	(41.2)	55.5
Empty Homes Scheme	100.6	-	100.6	78.3	22.3	58.0	(35.8)
Total	2,929.1	-	2,929.1	3,063.9	(134.8)	182.2	(317.0)

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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	2.1	(0.7)	1.4
Conferences and Travel	(8.2)	1.3	(6.9)
Other minor variances	(0.6)	1.2	0.6
Corporate Contingency	10.5	35.4	45.9
Executive Office Servicing	(12.1)	9.8	(2.3)
Legal Services			
Salary variances	8.2	13.3	21.5
Professional fees	5.4	8.5	13.9
Legal Income	(2.8)	1.9	(0.9)
Other Legal Misc under/ over	1.8	0.4	2.2
Land Charges			
Salary variances	2.8	(0.3)	2.5
Search Income	(2.8)	4.1	1.3
HM Land Registry Grant Income	24.0	(24.0)	-
Other minor variances	(2.1)	-	(2.1)
Democratic Services			
Salary variances Elections	8.0	-	8.0
Other Election Misc under/ over	4.3	8.2	12.5
Salary variances Democratic Support	18.0	(0.6)	17.4
Members Costs	19.9	(2.7)	17.2
Other Dem Misc under /over	0.5	0.7	1.2
Town Twinning	(0.6)	(1.9)	(2.5)
Treasury Management			
External Audit (Including Audit Backstop Funding)	(10.7)	42.1	31.4
Bank Charges / Bank interest	(11.3)	4.2	(7.1)
Insurance, Risk & Audit Fees			
LCC Audit fees	-	(27.4)	(27.4)
Financial Services			
Salary / agency variances - Accountants	18.0	(1.5)	16.5
Salary variances - Exchequer	2.5	-	2.5
Subscriptions	3.9	(0.7)	3.2
Computer System upgrade	(11.0)	2.0	(9.0)
Expected reserve income not utilised	-	(206.3)	(206.3)
Other misc under / (over) spends	0.2	3.2	3.4
Human Resources			
Salary variances	66.6	2.2	68.8
Authority wide Training	1.5	(20.2)	(18.7)
Annual Licences	(7.0)	6.5	(0.5)
Agency	(3.1)	(1.0)	(4.1)
Emergency Radio	(0.9)	(0.1)	(1.0)
Other minor variances	(4.2)	(9.1)	(13.3)
Corporate Support			
Salary variances	45.0	3.0	48.0
Other variances	(0.5)	7.0	6.5
Leisure	(1.8)	55.4	53.6
Leisure Review	(39.3)	-	(39.3)
Empty Homes	58.0	(35.8)	22.2
Salary saving movement to reserves	-	(195.0)	(195.0)
TOTAL	182.2	(317.0)	(134.8)

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Corporate Management Highlight Report – Q4 (March 2026)

Current Quarter

The Corporate Management Directorate outturn has delivered an adverse variance of £134.8k at the end of the year, the main movements being: -

- Staffing costs at Q4 are showing a favourable variance of £186.6k compared to budget:
 - Land Charges is showing a favourable variance of £2.5k.
 - Democratic Services is showing a favourable variance of £17.4k due to reduced working hours.
 - Elections is showing a favourable variance of £8.0k.
 - Corporate Management is showing a favourable variance of £1.4k.
 - Financial Services is showing a favourable variance of £19.0k.
 - People & Policy is showing a favourable variance of £68.8k due there being a vacant post, reduced working hours and Communications being provided by an external agency.
 - Corporate Support is showing a favourable variance of £48.0k due to vacant posts.
 - Legal is showing a favourable variance of £21.5k due to a vacant post.
- Members costs are underspent by £17.2k due to the reduced number of councillors.
- An upgrade of the Council's payment software has incurred additional costs of £9.0k.
- Bank Charges are showing an adverse variance of £7.1k.
- A Leisure Review for the authority has been commissioned as an out of budget expense.

The reported salary savings have been transferred to an earmarked reserve to support future salary-related pressures in subsequent financial years.

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Corporate Services Directorate

Period 12 (Mar)

Non-Distributed Costs & Capital Financing	2025/26 Orig Budget £000	Virements Budget £000	2025/26 App Budget £000	2025/26 Q4 Outturn £000	2025/26 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 4 (Adv)/Fav £000
Non Distributed Costs							
Employee & Pension Costs	200.0	-	200.0	113.8	86.2	104.2	(18.0)
Other Non-distributed Costs	35.3	-	35.3	377.0	(341.8)	(139.3)	(202.5)
Capital Financing							
Minimum Revenue Provision	644.1	-	644.1	714.6	(70.5)	(68.8)	(1.7)
Interest (net)	174.6	-	174.6	(750.9)	925.5	725.0	200.5
Total	1,054.0	-	1,054.0	454.5	599.5	621.1	(21.6)

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	(85.2)	1.0	(84.2)
Employee contribution Additional leave	-	(9.1)	(9.1)
Superann additional years/Contribution to Pension deficit	189.4	(10.0)	179.4
Other Corporate	(139.3)	-	(139.3)
Increase in Bad Debt Provision	-	(202.2)	(202.2)
Capital Financing			
Interest Payable	250.0	50.0	300.0
Interest Receivable	475.0	150.3	625.3
MRP	(68.8)	(1.7)	(70.5)
TOTAL	621.1	(21.6)	599.5

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Non-Distributed Costs & Capital Financing Highlight Report – Q4 (March 2026)

Historic Issues

- Savings on pension costs relate to historical pension liabilities, and arise as former employees pass away.

Current Quarter Issues

- The Minimum Revenue Provision (MRP) is £70.5k over budget, mainly due to delays in capital expenditure in previous years.
- The budgeted expenditure of £157.0k relating to the Council's contribution towards a pension scheme deficit has not been required. This has resulted in additional savings of £157.0k.
- The Council has increased the level of cover for bad and doubtful debts by £202.2k during 2025/26.
- Non-distributed costs include a vacancy savings target of £100.0k and savings relating to unpaid leave of £25k:
 - Vacancy savings are reflected within the relevant department variances.
 - Employee contributions relating to the purchase of additional leave are included within non-distributed costs.
 - A more detailed analysis is included in the 'Staff Costs' element of the monitoring pack.
- Net interest for the year shows a favourable variance of £925.3k, as detailed below:
 - Income received from longer-term, high-interest deposits maturing during the year totalled £850.3k, resulting in a favourable variance of £625.3k.
 - Officers have continued to actively maximise interest receivable on the Council's cash balances.
 - Due to the timing of capital projects within the Capital Programme, with a number commencing or completing later than originally planned, no additional cash borrowing was required during the year. This resulted in savings of £300k in borrowing interest costs.
 - Borrowing is expected to be required in future years once the agreed capital projects commence.

Future Issues

A significant reduction in interest rates would reduce the level of interest income received.

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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		-44.0		44.0			0.0
Revenue Support Grant		111.0					111.0
Collection Fund - S31 Grants (NNDR3)	1,996.2						1996.2
Collection Fund - Renewable Energy (NNDR1/3)		126.0					126.0
Business Rates Pooling net gain		500.0					500.0
New Homes Bonus		141.0					141.0
Extended Producer Responsibilities		649.0					649.0
Recovery Grant		297.0					297.0
Employers NI Contribution Scheme		75.0					75.0
Other Revenue income received				1,515.9			1515.9
Total Funds Available	5,108.8	7,765.2	486.0	3,565.4	228.8	1,000.0	18154.3
2025/26 Published Budget Utilisation							
Retained Business Rates							0.0
Revenue Support Grant		(111.0)					-111.0
Collection Fund - S31 Grants (NNDR3)							0.0
Collection Fund - Renewable Energy (NNDR1/3)		(126.0)					-126.0
Business Rates Pooling net gain		(500.0)					-500.0
New Homes Bonus		(141.0)					-141.0
Extended Producer Responsibilities		(649.0)					-649.0
Recovery Grant		(297.0)					-297.0
Employers NI Contribution Scheme		(75.0)					-75.0
General budget support		212.7					212.7
2025/26 Other Utilisation Plans							
Transfers between Reserves							-
Other Utilisation from Directorates				(74.4)			(74.4)
Total Utilisation Commitment	0.0	(1,686.3)	-	(74.4)	-	-	(1,760.7)
Reserve Estimates 31/03/2026	5,108.8	6,078.9	486.0	3,491.1	228.8	1,000.0	16,393.6
Future Contributions/Utilisation Plans							
2026/27 Plans	114.0	(837.0)		(241.5)			(964.5)
2027/28 Plans		(917.0)		(117.7)			(1,034.7)
Potential Reserve Balances	5,222.8	4,324.9	486.0	3,131.9	228.8	1,000.0	14,394.4

Current Issues

The brought forward reserves balance was £12,743.1k as shown in the table above. Of this balance c. £2,005.5k is ring-fenced. As noted on page 2, the positive variance at Q4 of £694.2k 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 *	UK Shared Prosperity Funding (UKSPF)	Pride in Place	Total
	£000	£000	£000	£'000	£'000	£'000	
Balance at 01/04/2025	2,083.0	3,069.0	493.0	528.0	0.0	170.0	6,343.0
New Funds Received 2025/26							
Grant due/received	1,580.9	9,903.0	356.0		255.0		12,094.9
Total Funds Available	3,663.9	12,972.0	849.0	528.0	255.0	170.0	18,437.9
Utilisation in 2025/26							
DFGs Outturn 2025/26	(2,147.5)						(2,147.5)
CRP Markets and Gyratory		(1,637.0)					(1,637.0)
Local Authority Housing Fund (LAHF)			(579.0)				(579.0)
DEFRA Food Waste				(439.5)			(439.5)
UKSPF					(255.0)		(255.0)
Pride in Place						213.0	213.0
Balance 31/03/2026	1,516.4	11,335.0	270.00	88.50	-	383.00	13,592.9

In addition to the £2,083k of unspent DFG grant brought forward at 1st April 2025, the 2025/26 allocation of £1,580.9k has been confirmed, giving total DFG resources of £3,663.9k. The utilisation is based on the capital spend for the year.

Additional funding has been received for other Capital projects in the year with £9,903.0k for the Capital Regeneration Programme and £356.0k for Local Authority Housing Fund which will be used to support efforts to reduce homelessness and the reliance on bed and breakfast accommodation.

Due to the additional funding received and extensions being given to deadlines for some of the Capital projects, a balance of £13,592.9k is expected to be carried forward into 2026/27.

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Staff Costs, Including Agency

Net Employment Costs 2025/26 to 31/03/2026	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	427.0	418.2	8.7	6.7	2.0	7.8	0.0	0
Operations Service	2,540.8	2,470.8	70.0	88.7	(18.6)	52.0	0.0	4
Parks & Cemeteries	873.4	914.1	(40.7)	(17.1)	(23.7)	22.0	0.0	1
Public Protection Unit	191.4	168.4	23.0	16.0	7.0	3.0	0.0	0
Environmental Health	219.8	168.7	51.1	37.5	13.5	4.0	1.0	3
Licensing & Enforcement	106.8	85.4	21.4	15.0	6.4	3.0	0.0	1
Communities Team	144.3	103.8	40.5	44.5	(4.0)	2.8	1.8	0
Economic Development Directorate								
Planning Services	614.5	607.8	6.7	7.5	(0.8)	11.6	0.2	0
Building Control Services	145.0	142.1	3.0	2.1	0.8	3.0	0.0	0
Regeneration	807.5	599.4	208.2	35.8	172.4	10.7	-1.0	1
Property Services	180.3	168.2	12.1	7.7	4.4	4.0	0.0	0
Housing	177.3	173.9	3.4	8.3	(4.9)	8.5	0.0	0
Corporate Services								
Corporate Management	386.5	385.2	1.3	(3.4)	4.8	3.0	0.0	0
Legal Services	190.5	169.0	21.5	8.7	12.9	3.0	0.0	1
Local Land Charges	56.8	54.3	2.5	1.9	0.6	1.2	0.0	0
Democratic Services	292.3	272.3	20.0	14.2	5.8	6.5	0.0	0
Financial Services	515.5	483.6	31.9	30.8	1.1	10.0	1.0	0
People & Policy	907.3	760.5	146.8	114.3	32.6	19.2	0.0	4
Leisure Services	48.4	49.6	(1.2)	(13.1)	12.0	0.8	-	0
Total	8,825	8,195	630	406	224	177.1	2.0	15.0

Salary savings	630
Additional Leave	41
Total Staff Savings	671
Original Savings Target	125
Savings Target fav/(adv)	546

Net employee underspends at Q4 amount to £630k, in addition there are savings related to purchased additional leave of £41k, resulting in a total staff saving of £671k. The savings target for the year is £125k, therefore, resulting in a favourable outturn variance of £546k. This is due to the agreed pay award of 3.2% being less than the budgeted estimate of 5% and a reduction in the pension payable.

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.

£400k of the reported salary savings (excluding externally funded posts) have been transferred to an earmarked reserve to support future salary-related pressures in subsequent financial years.

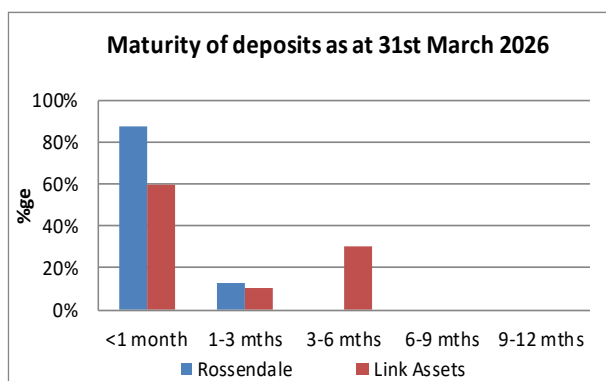
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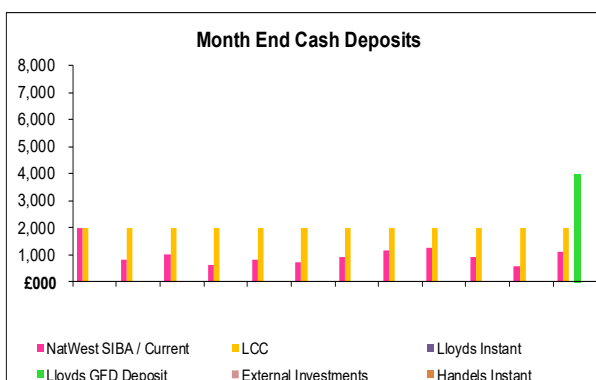
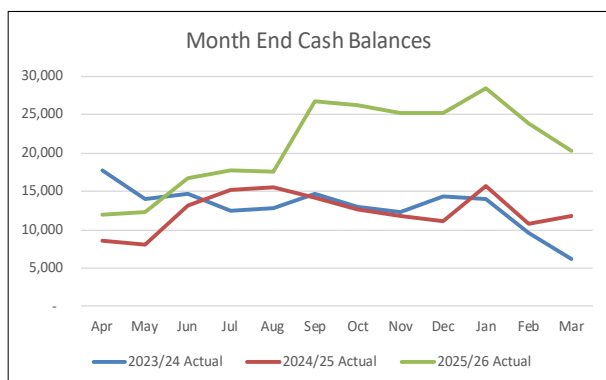
Treasury Management & Cash Flow Monitoring

At 31 March 2026, the Council's bank balances were £20.2m. This represents an increase compared with previous years, primarily due to funds being received in advance for capital schemes and Disabled Facilities Grants.

Although interest rates have fallen in recent months, the Bank of England Base Rate has remained comparatively high over the past two years. As a result, and with temporary cash balances available for investment, the Council has continued to adopt a more proactive approach to treasury management throughout 2025/26. This approach has aimed to maximise interest income beyond budgeted levels and help mitigate the impact of rising costs caused by ongoing inflationary pressures.



Balances & Interest Rates at 31/03/2026	Current Balance £k	Avg Interest Rate %
NatWest SIBA	1,140	0.10
Lancashire CC Call	2,000	3.50
Handelsbanken Instant	-	0.00
External Investments	12,100	3.71
Lloyds Instant Access	1,000	3.51
Lloyds GFD Deposit	4,000	3.90
Total Bal & Avg interest	20,240	3.51



The Monetary Policy Committee (MPC) reviews interest rates regularly. The most recent change was a reduction of 0.25% in December 2025, resulting in the current Bank of England Base Rate of 3.75%.

The Council's strategy continues to maintain a significant proportion of its balances in liquid funds to ensure that sufficient resources are available to meet commitments as they fall due, including both revenue and capital expenditure.

Instant access arrangements typically generate lower interest returns than fixed-term deposits. Officers have therefore continued to seek to maximise interest income from investments, whilst maintaining adequate liquidity to ensure funds are accessible when required.

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As noted above, the Council has continued to adopt a more proactive approach to fixed and longer-term investments for a smaller proportion of surplus cash balances. In accordance with the approved Treasury Management Strategy, such deposits are placed with high-quality counterparties, including Central Government and other Local Authorities. This approach is considered prudent in the context of CIPFA's Prudential Code, which prioritises Security and Liquidity over Yield (SLY).

At 31st March 2026, the Council's portfolio consisted of £1.1m held in the NatWest current account, £2.0m in the LCC call account, £1.0m in the Lloyds instant access account, £4.0m on deposit with Lloyds, and £12.1m in deposit with the Debt Management Office (DMO). The DMO is responsible for debt and cash management activities on behalf of the UK Government, including lending to local authorities and managing certain public sector funds. RBC has deposits with the DMO for varying periods of up to three months.

Interest Outturn	Budget 2025/26	Actual 2025/26	Variance Fav/(Adv)
Revenue			
Interest payable (PWLB)	(100.0)	(100.0)	-
Other interest payable	(300.0)	0.0	300.0
Misc Interest income	-	-	-
Bank Interest income	225.0	850.0	625.0
Net Interest	(175.0)	750.0	925.0

The average effective interest rate at the end of Q4 was 3.51%.

Interest Paid / Received

The budget for interest in 2025/26 was a net cost of £175.0k. The outturn position was net income of £750.0k. This favourable variance reflects higher-than-anticipated cash balances available for investment, together with a slower-than-expected reduction in interest rates. In addition, the continued use of internal borrowing eliminated the requirement for external borrowing, generating savings on the interest payable on external borrowing.

Borrowing

The Council has identified a prudential borrowing requirement of £6.2m to support the financing of its capital expenditure programme over the Medium-Term Financial Strategy (MTFS) period from 2026/27 to 2027/28.

The reduction in the Bank Rate during the financial year has affected the borrowing rates on offer through the Public Works Loan Board (PWLB).

The Council continues to review and assess its borrowing requirement on an ongoing basis in accordance with the approved Treasury Management Strategy.

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Interest Rate Forward Predictions

The Council's treasury management advisors, MUG (formerly Link Group), have reviewed and updated their forecast for interest rates over the next four years, as illustrated in the table overleaf.

MUG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

MUG also provides forecasts for 25-year borrowing rates from the Public Works Loan Board (PWLB). These forecasts are based on the 'Certainty Rate' – a concessionary interest rate reduction on the standard interest rate for new loans. 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 its annual application to access the Certainty Rate in order to support its capital financing requirements on the most favourable borrowing terms available.

Treasury Management Practices (TMPs) and Prudential Indicators

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

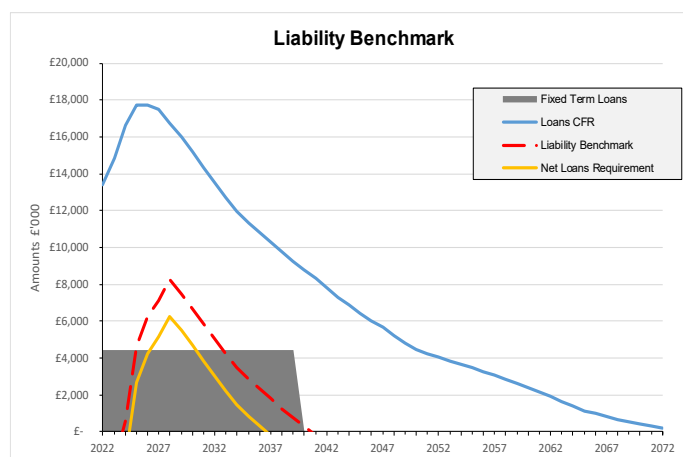
Prudential Indicators

The updated Prudential Indicators – taking into account the Q4 Monitoring position are shown below.

Financing of Capital Expenditure	Original 2025/26 £'000	Q4 Revised £'000	Capital Expenditure	Original 2025/26 £'000	Q4 Revised £'000
Capital Receipts	1,600	379	Climate Change	527	677
Capital Grants	17,228	7,638	Corp Services & Buildings	430	156
S106	-	10	Housing	1,000	2,815
Capital Reserves	-	-	Ops & Coms	8,036	1,966
Earmarked Reserves	-	34	Regeneration	14,279	3,528
Total in-year resources	18,828	8,061	Total	24,272	9,143
Net Financing need for year	5,444	1,082			
CFR	Original 2025/26 £'000	2025/26 Actual £'000	Operational Boundary & Authorised Limit	Original 2025/26 £'000	Revised 2025/26 £'000
Total CFR	23,448	18,080	Operational Boundary	24,400	24,400
			Authorised Limit	26,400	26,400

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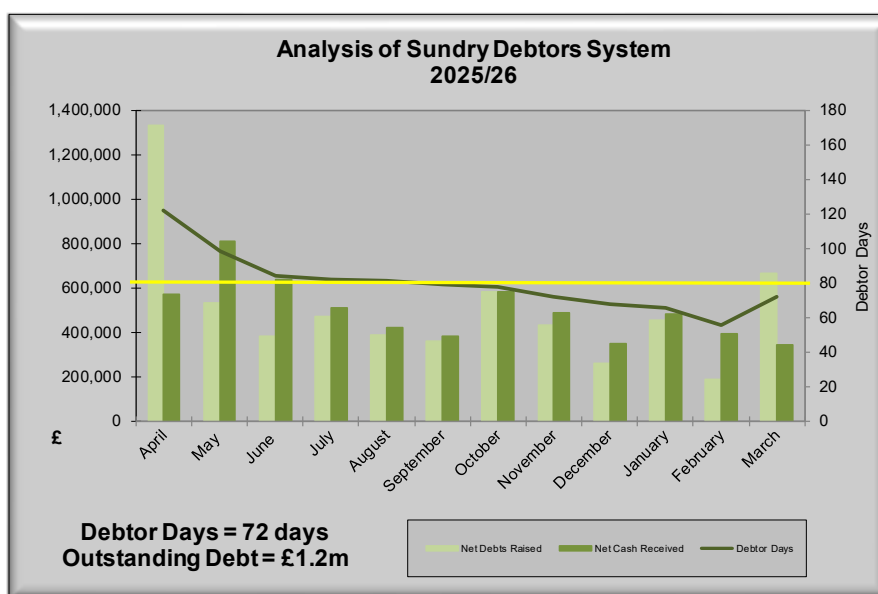
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Ratio of financing costs to net revenue stream	Original 2025/26 £'000	Revised 2025/26 £'000
Interest Payable - Services	109	100
Interest Receivable	(120)	(850)
Net cost of capital	(11)	(750)
Net Revenue Stream	10,256	9,361
Ratio of financing costs to net revenue stream	-0.11%	-8.01%

Sundry Debts Monitoring

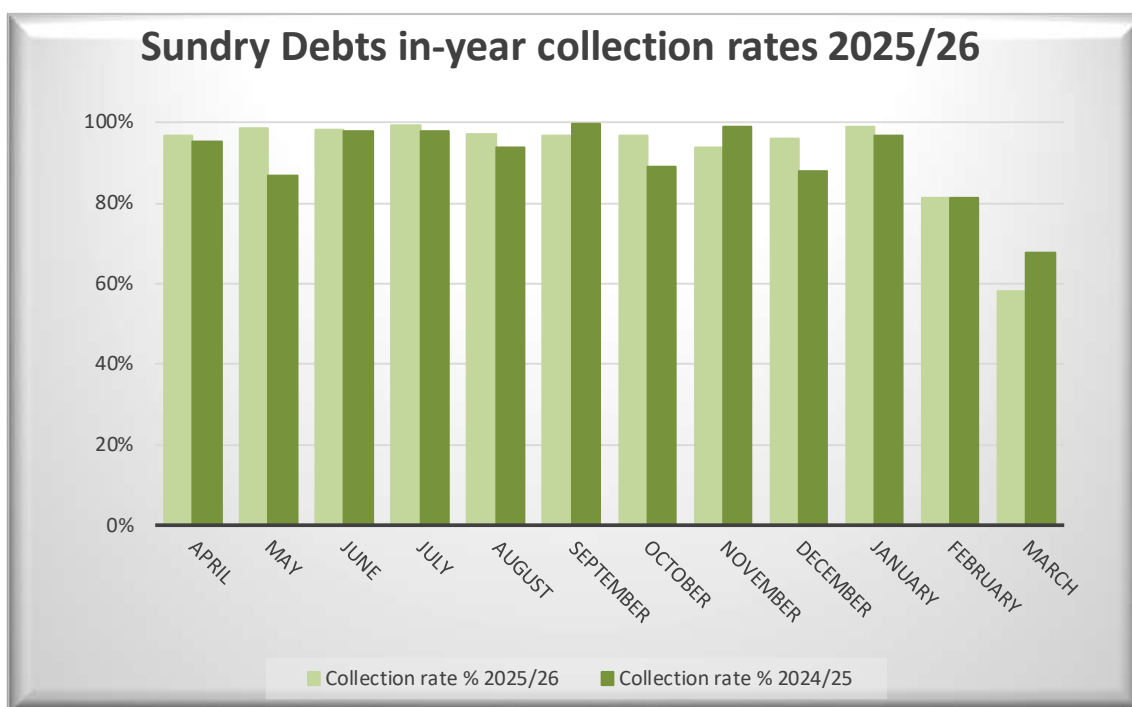
Invoices raised in the year totalled £6,048k. As at March 2026, £451k (7%) of new debts raised in the year were considered outstanding or overdue resulting in a collection rate of 93%.



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

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Doubtful Debts

The debtor days in Q4, based on a rolling 12 month average is currently 72 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 e.g. 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 c. 83% for debts it considers to be at risk of remaining unpaid (impairment) and c. 50% for the total debt issued and considered overdue. The general impairment provision carried forward at 31st March 2025 is at £641.8k, plus a further £5.4k, which has been set aside for licensing debt. Following a review of the Sundry debtors, the Council has increased the level of cover for bad and doubtful debts by £202.2k during 2025/26.

The debts below exclude the Rossendale Leisure Trust Debt which stood at £1.365m as at 31st March 2026.

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Debts Outstanding	Mar 2025	Jun 2025	Sept 2025	Dec 2025	Mar 2026	Doubtful Debts at 31 Dec 2025	
	£000	£000	£000	£000	£000	Rate	£000
Earlier Debt	46.2	46.1	46.1	45.8	45.9	100%	45.9
2017/18 Debt	63.3	63.2	63.1	63.1	63.1	100%	63.1
2018/19 Debt	38.7	39.2	39.2	39.2	39.1	100%	39.1
2019/20 Debt	16.8	16.9	15.8	12.7	9.3	100%	9.3
2020/21 Debt	109.2	107.8	107.8	107.6	107.3	100%	107.3
2021/22 Debt	38.4	38.2	38.3	38.3	38.3	100%	38.3
2022/23 Debt	91.0	83.0	82.1	80.5	79.9	100%	79.9
2023/24 Debt	192.6	165.7	161.6	158.2	150.1	75%	112.6
2024/25 Debt	437.4	228.1	173.8	148.2	137.0	50%	68.5
2025/26 Debt		447.9	402.9	320.8	132.4	15%	19.9
Q4 Jan					4.9	15%	0.7
Q4 Feb					35.0	15%	5.3
Q4 Mar					277.8	15%	41.7
Total Debt o/s	1,033.6	1,236.1	1,130.7	1,014.4	1,120.1		631.6

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	78	(1,522)
Obsolete vehicles and kit	-	96	96
Net receipts to table 2	1,600	174	(1,426)

Table 2 - Useable Capital Resources

Useable Capital Resources	£ 000
Balance at April 2025	2,141
Capital Grants in 2025/26	7,638
Capital Receipts in 2025/26	174
	9,953
Revenue Contributions	
from Earmarked Reserves	(34)
from Revenue Operations	-
Total Capital Resources 2025/26	9,920
Capital Prog funding applied	(7,638)
Total Capital Resources March 2026	2,281
Capital Receipts Reserve (Whitworth)	38
Capital Receipts Reserve (Haslingden)	73
Capital Receipts Reserve (unalloc)	2,170

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Capital Programme

The Capital Programme for 2025/26 (approved in February 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;
- £528k for projects included in the Carbon Reduction Fund (reduced to £503k due to additional costs incurred at the end of 2024/25); and
- A provisional estimate of £1,000k for DFGs.

A further £8,510k of slippage had been included at the start of the year, relating to projects which were ongoing at the end of 2024/25, with prior year allocations not yet spent. This includes £1,792k relating to DFGs. 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 £2,986k, this includes:

- £805k relating to the purchase of properties for supported housing with additional funding from the Local Authority Housing Fund;
 - Five properties have been purchased in the year and the remaining balance of the funding will be used to purchase further properties in 2026/27
- £600k relating to the extension of Haslingden cemetery;
 - Work on the project had not started in the year and the funding for the project has been carried forward to the following year.
- £533k funding from Innovate relating to the Net Zero Terraced Streets project;
 - The funding was used in the year to develop the methodology and tools for deploying the Net Zero Terraced Street (NZTS) scheme at a greater scale and the technical feasibility work for future NZTS schemes.
- £510k relating to funding from UKSPF.
 - This is to be used to support projects such as Waterfoot and Green Streets;
- £184k increase relating to the Whitaker Park improvements project, with additional funding from the Lancashire Environmental Fund and the FCC Communities Foundation;
 - Work on the Junior play area had been completed in the year.
- £34k relating to the Building Heat Decarbonisation plan, with funding from the Low Carbon Skills Fund;
 - This project was completed in the year.
- The original 2025/26 estimate for DFG funding was £1,000k. An additional £580k has been added to the base programme throughout the year, resulting in an actual grant received of £1,580k.
- With regards to the Vehicle Replacement Programme (VRP), a decision to bring forward the purchase of 2 vehicles from 2026/27 VRP and also move back the purchase of 2 vehicles to 2026/27 VRP, has resulted in a reduction of the 2025/26 VRP by £260k.

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Financing the Capital Programme

The Useable Capital Receipts Reserve holds the balance of the funds generated from 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.

The total grant income for the approved capital programme is £7,638k (including DFGs). Current funding for the slippage brought 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 at the end of the financial year.

Current Issues

- The estimated completion time for the Capital Regeneration projects is expected to be March 2028, following a deadline extension.
- The work relating to the Operations Infrastructure will continue into 2026/27.

Future Issues

The estimated slippage for schemes approved in the 2025/26 programme and that have not been included in the MTFs for 2026/27, along with the source of financing, is currently £7,460k.

Capital Programme Spending

Capital Programme 2025/26	Original Cap Prog	Revised Cap Prog	Full-Year Forecast	Variance (Adv)/Fav	Indicative Funding Arrangements			
	£000	£000	£000	£000	Grants/Contrib'n	Capital Receipts	S106/Reserves/RCCO	RBC Int Borrow
IT Software & Equipment	-	-	-	-	-	-	-	-
Operations	716	501	499	2	-	379	-	121
Communities	1,240	2,048	121	1,927	74	-	10	37
Housing	1,000	4,221	2,815	1,406	2,815	-	-	-
Henrietta Street Depot Improvements	-	-	4	(4)	-	-	-	4
Futures Park	-	33	36	(3)	-	-	-	36
Property Repairs & Maint	400	475	138	337	-	-	-	138
Car Parks General 22-26 MTFs	30	40	-	40	-	-	-	-
Haslingden 2040 NLHF	-	1,842	1,887	(45)	1,813	-	34	40
Haslingden Market (UKSPF)	-	-	10	(10)	10	-	-	-
Waterfoot (UKSPF)	-	-	73	(73)	73	-	-	-
Green Streets (UKSPF)	-	-	-	-	-	-	-	-
Rawtenstall Market Electrical Works	101	101	-	101	-	-	-	-
Carbon Reduction Fund	527	237	105	132	34	-	-	71
Net Zero Terraced Streets	-	533	469	64	469	-	-	-
PSDS Marl Pits Decarbonisation	-	300	103	197	103	-	-	-
Whitaker Park	80	409	186	223	140	-	-	46
Trickett's Memorial Ground	-	-	-	-	-	-	-	-
Food Waste Collections	-	528	501	27	501	-	-	-
Waste Transfer Station	6,000	6,000	588	5,412	-	-	-	588
Leisure Various	-	186	-	186	-	-	-	-
Legacy Liabilities	100	334	-	334	-	-	-	-
Capital Regeneration Projects (LUF)	14,078	17,980	1,604	16,376	1,604	-	-	-
	24,272	35,768	9,143	26,625	7,638	379	43	1,082

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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	163	163			
Sub-total Communities	218	163	-	-	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	95				95
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	1,987	1,332	-	-	655
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	8,510	7,233	-	-	1,277

Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2025/26	Revised MRP Required	(Additions) / Underspend 2025/26
	£000	£000	£000
Corporate	644	715	(71)
	644	715	(71)

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

Following a review of the capital programme, the MRP charge for 2025/26 was £71.0k higher than anticipated due to delays in capital expenditure in previous years.

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Section 106 Receipts Monitoring

The value of S106 agreements brought forward on the 1st April 2025 was £604.5k. To the end of March 2026, there have been two S106 deposits totalling £327.7k. There have also been ten contributions amounting to £57.2k applied to projects. This leaves £875k held on the balance sheet, yet to be allocated.

<u>Section 106 Agreements 2025/26</u>	Third Party Projects £'000	RBC Revenue Projects £'000	RBC Capital Projects £'000	Total Held £'000
Balance b fwd at 1st April 2025	251.1	64.9	288.5	604.5
Deposits received in 2025/26	17.8		309.9	327.7
Deposits applied in 2025/26	(5.6)	(10.0)	(41.6)	(57.2)
Current Balance	263.3	54.9	556.8	875.0

<u>Section 106 Agreements in detail</u>	Third Party Projects £'000	RBC Revenue Projects £'000	RBC Capital Projects £'000	Total Held £'000
Balance b fwd 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)
Scout Moor	(2.4)			(2.4)
Scout Moor	17.8			17.8
Reedsholme Works			(6.6)	(6.6)
Commercial St, Loveclough			67.0	67.0
Pinfold & Blackburn Rd, Edenfield			8.0	8.0
Land at Cowm Park Way, Whitworth			2.5	2.5
Commercial St, Loveclough			(35.0)	(35.0)
Current Balance	263.3	54.9	556.8	875.0

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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	45.90	50.82	48.55	47.63	47.86	51.19	49.1	48.57
September	56.01	54.29	55.43	55.64	54.92	54.93	54.51	58.34	57.84	56.05	55.54	58.11	58.14	56.80
October	65.23	63.29	71.16	64.55	64.03	63.36	63.42	67.52	68.97	64.90	64.73	65.99	65.08	65.08
November	74.78	72.30	78.43	73.49	72.93	72.93	72.16	74.26	77.15	73.09	74.88	74.92	74.41	73.1
December	83.33	80.90	82.12	82.25	81.50	80.96	80.92	82.70	85.92	81.41	81.91	81.93	82.7	81.41
January	92.48	89.90	90.96	91.22	91.05	90.25	89.82	90.91	90.17	89.30	94.79	90.27	91.17	89.23
February	94.60	92.37	93.43	93.85	93.37	93.12	92.79	95.00	93.66	95.13	94.73	94.23	94.68	93.94
March	96.32	95.72	95.59	95.95	95.75	95.31	95.40	97.78	94.19	98.15	98.85	98.60	98.56	98.78

Collection rates for Council Tax are reducing, it is likely that this is the result of the continuing cost of living crisis. This has remained an area of focus during 2025/26 given the potential impact on future collection. However, the rates of decline are low and collection rates remain at relatively high levels.

For Business Rates, the situation is harder to gauge as collection rates were distorted in 2022/23 by the Covid relief, which the Government distributed. 2023/24 was also distorted by the transitional reliefs given to businesses, due to the Business Rates revaluation, which were applied in April 2023. As at the end of 2024/25, the collection rates were in line with previous years which is positive, and as at Q4, the level remains relatively high and is only slightly below average.

Council Tax Collection Fund

At the time of this report, the estimated surplus on the Council Tax collection fund is forecast at £1,335k. This includes a £500k provision for doubtful debts. This year RBC's share of the Council Tax is 13.56%, equating to £175k of the forecast surplus.

Council Tax Forecast 2025/26	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000
Council Tax Collectable (after Discounts & Exemptions)	53,288	53,168	53,116	52,971
less Doubtful Debt Provision	(500)	(500)	(500)	(500)
	52,788	52,668	52,616	52,471
less Precepts for 2023/24				
Lancashire County Council	(36,715)	(36,715)	(36,715)	(36,715)
Police	(5,868)	(5,868)	(5,868)	(5,868)
Fire	(1,898)	(1,898)	(1,898)	(1,898)
Rossendale Borough Council	(6,719)	(6,719)	(6,719)	(6,719)
Whitworth Town Council	(80)	(80)	(80)	(80)
	(51,280)	(51,280)	(51,280)	(51,280)
Surplus / (Deficit)	1,508	1,388	1,335	1,191
RBC Share = 13.56%	204	182	175	156

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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.

Business Rates Collection Fund 2025/26 (50% Pool)	NNDR1 £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000
Net Liability Due	15,241	14,890	15,164	15,004	14,666
Use of Appeals Provision	-	-	-	-	-
Less Cost of Collection Allowance	(97)	(97)	(97)	(97)	(97)
Less Doubtful Debt Provision	(300)	(300)	(300)	(300)	427
Less Appeals Provision	(500)	(500)	(500)	(500)	(359)
Less Renewables 100% to RBC	(291)	(291)	(291)	(291)	(231)
Net NNDR due	14,053	13,702	13,976	13,816	14,406
Transitional reliefs	248	248	248	248	86
Less Precepts	(14,301)	(14,301)	(14,301)	(14,301)	(14,301)
Cash Surplus/(Deficit)	-	(351)	(77)	(237)	191
RBC Share = C x 40%	-	(140)	(31)	(95)	76
Central Government share 50%		(176)	(39)	(118)	96
LCC and Fire share 10%		(35)	(8)	(24)	19

The Business Rates collection fund is predicting a deficit of £237k for 2025/26. The Council retains a 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 will be £95k.

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. This is 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. However, it should be noted that there are no outstanding appeals from the 2017 list.

RBC General Fund / Pooling Gains	NNDR1 £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000
Business Rates Income	14,301	13,950	14,224	14,064	14,492
RBC Share = 40%	5,720	5,580	5,690	5,626	5,797
less tariff paid to Lancashire Pool	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)
add S31 Grants (for Levy calculation)	2,742	2,742	2,742	2,742	1,487
Subtotal	4,974	4,834	4,944	4,880	3,796
RBC Baseline Funding Level used in Budget	2,261	2,261	2,261	2,261	2,261
Surplus for Levy Calculations	2,713	2,573	2,683	2,619	1,535
Levy due for non Pool membership 50%	(1,357)	(1,286)	(1,341)	(1,309)	(767)
Levy payable as Pool member 10% of above	(136)	(129)	(134)	(131)	(77)
Retained Levy through Pool membership	1,221	1,158	1,207	1,178	691

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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 £1,178k. The February 2025 MTFs included a contribution of an estimated pooling gain of £500k, the current forecast outturn position is a £678k 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 £2,742k.

Business Rates Summary	NNDR1 £000	Q1 £000	Q2 £000	Q3 £000	Q4 £000
Business Rates Surplus/(Deficit) 2024/25	2,713	2,573	2,683	2,619	1,535
less Lancashire Pooling Levy	(136)	(129)	(134)	(131)	(77)
Renewable Energy	291	291	291	228	231
Overall Gain/(loss)	2,869	2,735	2,839	2,716	1,689
Business Rates Retention Reserve Bfwd	1,028	1,028	1,028	1,028	1,028
Business Rates Cash Surplus/(Deficit) 2025/26	2,869	2,735	2,839	2,716	804
Less Budgeted Utilisation	-	-	-	-	-
Total Retained Business Rates Resources Cfwd	3,897	3,763	3,867	3,744	1,832

The table shows the potential impact on the Business Rates Retention Reserve. At the end of Q4 it is anticipated that RBC will transfer an additional £1,086k (40% of £2,716k) 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.

Consumer Price Index (CPI)

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

Earmarked Reserves

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

Full Time Equivalent (FTE)

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

General Fund

The main revenue fund of the Council.

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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.

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.

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.

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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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