ROSSENDALE BOROUGH COUNCIL

AGENDA ITEM: E2

Report Title:	Financial Monitoring Report Quarter 1 2026/27		
Report to:	Cabinet	**Date:**	23rd September 2026
Report of:	Head of Financial Services	**Cabinet Portfolio:**	Resources
Cabinet Lead Member:	Councillor Walmsley	**Wards Affected:**	All
Key Decision:	☐ Forward Plan ☒	General Exception ☐	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.	☐
	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.	☐
	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.	☐
	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.	☒

1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

1.1 This report provides an indicative estimate of the Council's General Fund Revenue outturn, Collection Fund performance and Capital outturn for the year ended 31 March 2027.

1.2 As at 30th June 2026, the Council is estimating a favourable variance of £137.5k against an approved net budget for the year of £14,601.3k.

1.3 The approved Capital Programme for 2026/27 was agreed in the sum of £30,177k, to this was added prior year slippage of £7,702k. An additional £643k has been approved in the current year, making a revised capital programme for 2026/27 of £38,522k. The estimated capital outturn for the year is £32,948k.

2. RECOMMENDATION

2.1 That Cabinet note the content of the Quarter 1 Financial Monitoring Report.

3. BACKGROUND AND REASON FOR THE DECISION

3.1 In March 2026, the MTFS set a balanced budget of £14,601.3k for the year based on the assumptions made at that time. This budget was supported by £1,261.3k 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 June monitoring report for 2026/27 is estimating a favourable variance of £137.5k, when compared to an original net budget of £14,601.3k.

3.3 The most notable variances are:

- Income from bank interest is greater than anticipated and is forecast to achieve a favourable variance of £215.5k against the budgeted income of £225.0k.
- Temporary Accommodation is currently forecast to operate £100.2k below budget. The Housing Options team is continuing to proactively 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 is expected to remain lower than in previous years, reflecting the favourable variance. In addition to this, expenditure on bonds and other homelessness resources is forecast to achieve a further favourable variance of £120.3k against budget.
- The benefits granted outturn is currently projected to have an adverse variance of £162.2k against budget, reflecting housing benefit income being £249.9k lower than originally budgeted. This is partially offset by £86.2k of anticipated income from discretionary housing payments, which were not included in the original budget.
- Operational Functions (including Parks) are currently projecting an overspend of £243.2k, primarily attributable to vehicle maintenance. The vehicle maintenance overspend reflects the ongoing cost of maintaining an ageing refuse fleet, together with additional pressures arising from the increased number of vehicles required for food waste collections, which began in April 2026. Fuel costs are also contributing £60.0k to the projected overspend, due to the recent significant increase in fuel prices.
- Within Property Services there has been a forecast underachievement in income for Estates rental income and Business Centre room hire. These adverse variances are £25.2k and £64.1k, respectively.
- External audit fees within Financial Services are forecasted to achieve a favourable variance of £87.5k following discussions with Mazars, who indicated that audit fees are expected to be approximately 50% of the original budgeted cost.

3.4 Full details and explanations are included in Appendix 1.

Capital

3.5 The Capital Receipts brought forward at 1st April 2026 totalled £1,935k with £16k of capital receipts in Q1 of 2026/27.

3.6 The approved Capital Programme for 2026/27 was agreed in the sum of £30,177k, to this was added prior year slippage of £7,702k. An additional £643k has been approved in the current year, making a revised capital programme for 2026/27 of £38,522k. The estimated capital outturn for the year is £32,948k.

3.7 The Capital Receipts Reserve is expected to total £263k at the 2026/27 year-end, reflecting the most cost-effective method of financing the Council's future Capital Programme.

Treasury

3.8 At the end of June, the Council's bank balances were £28.7m. This represents and increase compared with previous years, primarily due to funds being received in advance for capital schemes.

3.9 The Bank of England Base Rate has remained unchanged throughout the first quarter of 2026/27. The Council has continued to adopt a proactive approach to treasury management, taking advantage of the investment opportunities available from temporary cash balances.

3.10 In 2026/27, the Council has kept its budget for interest income consistent to the prior year. Although it is early in the year, we are confident that this budget will be exceeded.

Collection Fund

3.11 Collection rates from Council Tax have reduced and it is likely that this is the result of the continuing cost of living crisis. However, the extent of the decline is low and collection rates remain at relatively high levels.

3.12 For Business Rates, the situation is harder to gauge as collection rates were distorted in 2022/23 by the Covid relief distributed by the Government. 2023/24 was also distorted by the transitional reliefs given to businesses due to the Business Rates revaluation, which were applied in April 2023. The level of collection for quarter 1 remains in line with the average collection rates for previous years.

3.13 For 2026/27, the Council Tax collection fund is predicting a deficit of £351k, with Rossendale Borough Council's share being £46k.

3.14 The NNDR collection fund is predicting a deficit of £146k, with Rossendale Borough Council's share being £58k. The Council has a Business Rate Retention Reserve to provide for any peaks and troughs in business rate income. As such, this deficit will be charged to the reserve.

3.15 The Lancashire business rates pooling arrangements were brought to an end in 2025/26 as a result of the Government's Business Rates Retention System reset and Fair Funding Review.

3.16 Details are included in Appendix 1.

Earmarked Reserves

3.17 The total cash-backed earmarked reserves brought forward at 1st April 2026 were £16,181.1k. The earmarked reserves closing balance at 31st March 2027 is estimated to be £14,522.8k.

4. RISK

All of the issues raised and the recommendation(s) in this report involve 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 increased 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 25% over or above the estimates included in the capital programme. Rising inflation is also having an impact on the construction industry – pushing up costs and increasing tender prices.

4.2 Financial monitoring of General Fund services 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 treated as an integral part of financial monitoring 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.

5. SECTION 151 OFFICER COMMENTS (FINANCE)

5.1 Robust monitoring of the General Fund and MTFS is essential to control the risks expressed in Section 4 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-related 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 1 2026/27: Appendix 1

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Appendix 1

Financial Monitoring Report

2026/27 as at end of June 2026

Including a Glossary of terms on page 39

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

General Fund Revenue Operations – pages 4 to 22

Despite the current economic climate continuing to have a significant impact on the Council in Q1, the financial performance has been favourable compared to budget. The outturn position is projected to be a favourable variance of £137.5k on the General Fund when compared to the original budget of £14,601.3k. This forecast will result in a utilisation from the reserves of £1,139.7k. The significant budget variations are highlighted on pages 4 and 5.

Earmarked Revenue Reserves – page 23

The total cash-backed Earmarked Reserves brought forward at 1st April 2026 were £16,181.1k. The opening balance on the Transitional Reserve is £5,866.2k. The projected closing balance of earmarked reserves at the 31st March 2027, is £14,522.8k. 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 remaining life of the Authority.

The earmarked reserves figure includes ringfenced sums of £2,972.7k.

Government Grants Unapplied – page 24

The opening value of Government Grants Unapplied at 1 April 2026 was £13,593.4k, of which £11,335.4k relates to the Capital Regeneration Project. Additional funding is due to be received during 2026/27 to support the continued delivery of the programme. Work on the regeneration projects remain ongoing, with good progress in many areas.

A further £1,516.4k relates to Disabled Facilities Grants. The balance carried forward into 2026/27 relates to previous years' slippage. The allocation of Better Care funding for DFGs for 2026/27 is £1,533k, giving total DFG resources available of £3,049.4k. Of this, £2,048k is estimated to be utilised in the year resulting in a carried forward balance of £1,001.4k.

There are also balances brought forward of £269.9k relating to the Local Authority Housing Fund, £88.7k relating to the DEFRA Waste Capital Fund and £383k relating to Pride in Place.

Staff Monitoring – page 25

The table on page 25 presents the staffing variances for the year based on Q1 actuals. The underspend for the year is anticipated to be £38k. Additional leave contributes a further £10k, bringing the total savings to £48k. Based on Q1 transactions, there is a projected staff saving up to £192k.

Treasury & Cash Management - page 26 to 31

At 30th June 2026, the Council's bank balances were £28.7m. This represents an increase compared with previous years, primarily due to funds being received in advance for capital schemes. The Bank of England Base Rate has remained unchanged throughout the first quarter of 2026/27. 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 the quarter. This approach has aimed to maximise interest income beyond budgeted levels and help mitigate the impact of rising costs caused by ongoing inflationary pressures. Interest income is expected to exceed the budget for the year and a favourable variance of £215.5k is projected.

The provision for doubtful debt at the 1st of April 2026 was £842.9k, plus a further £5.4k set aside for licensing debt. The level of cover for sums outstanding and that risk going unpaid is considered adequate at this time (c75% cover) with no further movement proposed. However, this position will be kept under review.

Capital Programme and Funding – pages 31 to 34

The original Capital Programme for 2026/27 is £30,177k. This includes £11,347k in relation to the Capital Regeneration Projects, £6,200k for the Waste Transfer Station, £2,500k for a Leisure Facilities upgrade, £2,144k for the Vehicle Replacement Programme, £1,237k for the upgrade of 3G football pitches and £1,000k for DFGs. The slippage from 2025/26 was £7,702k, of which £5,029k relates to the Capital Regeneration Projects and £1,516k to DFGs.

The capital outturn at 31st March 2027 is forecast to be spend in the sum of £32,948k, which includes:

- Anticipated completion of the Waste Transfer Station;
- The purchase of properties to assist with temporary housing, using the Local Authority Housing Fund;
- Completion of the play area at Edgeside Park;
- Commencement of the Marl Pits Decarbonisation programme;
- Ongoing delivery of the Capital Regeneration Programme

The lower forecast outturn is primarily due to delays in the 3G Pitch Upgrades and Leisure Facilities Upgrades projects, with commencement dates yet to be confirmed.

The total value of Capital Grants receivable in the financial year 2026/27 is £19,853k (including DFG Funding).

The Capital Receipts Reserve is currently forecast to total £1.951m by the end of 2026/27. These resources will be used to support the financing of the Capital Programme, thereby reducing the requirement for borrowing.

Collection Fund 2026/27 (Council Tax & NNDR) - pages 36 to 38

Council Tax collection levels are recovering. However, they are still not back to pre-pandemic levels. Business rate collection appears to have 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 deficit of £46k for Rossendale.

The business rates collection fund is predicting a deficit of £146k in 2026/27, the Council's share of this deficit is £58k. The Council has a Business Rate Retention Reserve to provide for any peaks and troughs in business rate income, therefore this deficit will be charged to the reserve.

The Lancashire business rates pooling arrangements were brought to an end in 2025/26 as a result of the Government's Business Rates Retention System reset and Fair Funding Review.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Service Area	2026/27 Orig Budget £000	Budget Virements £000	2026/27 App Budget £000	2026/27 Q1 Outturn £000	2026/27 Variance (Adv)/Fav £000
Communities Directorate					
Customer Services and E-Government	1,987.1	-	1,987.1	2,072.0	(84.9)
Operational Functions	3,641.8	(239.4)	3,402.4	3,595.0	(192.6)
Parks and Cemeteries	1,619.1	62.1	1,681.2	1,731.9	(50.7)
Public Protection Unit	264.0	0.4	264.5	268.8	(4.3)
Environmental Health	273.6	17.2	290.7	313.8	(23.0)
Licensing & Enforcement	30.3	27.2	57.5	29.7	27.8
Communities Team	323.9	-	323.9	312.7	11.2
Economic Development Directorate					
Planning Services	423.0	26.7	449.7	423.1	26.6
Building Control Services	1.9	-	1.9	15.8	(14.0)
Regeneration	513.4	-	513.4	507.1	6.3
Property Services	250.0	-	250.0	371.9	(121.9)
Housing	827.2	-	827.2	669.7	157.5
Corporate Management Directorate					
Corporate Management	489.3	82.9	572.2	574.5	(2.3)
Legal Services	192.3	-	192.3	177.2	15.1
Local Land Charges	17.1	-	17.1	(4.4)	21.5
Democratic Services	595.8	-	595.8	560.2	35.6
Financial Services	803.6	-	803.6	748.9	54.7
People and Policy	951.7	(177.1)	774.6	766.6	8.0
Non Distributed Costs	(21.7)	200.0	178.3	160.7	17.5
Capital Financing and Interest	1,015.0	-	1,015.0	744.2	270.8
Leisure Services	90.0	-	90.0	111.5	(21.4)
Local Government Reorganisation	313.0		313.0	313.0	(0.0)
TOTAL Service Cost	**14,601.3**	**0.0**	**14,601.3**	**14,463.7**	**137.5**
Funded by					
Council Tax	(6,985.0)		(6,985.0)	(6,985.0)	-
Retained Business Rates	(4,931.0)		(4,931.0)	(4,931.0)	-
Homelessness/Rough Sleeping	(397.0)		(397.0)	(381.0)	(16.0)
Extended Producer Responsibilities	(730.0)		(730.0)	(730.0)	-
Recovery Grant	(297.0)		(297.0)	(297.0)	-
LESS Estimated use of Reserves	(1,261.3)		(1,261.3)	(1,139.7)	(121.5)
Net Budget Shortfall	**(0.0)**	**0.0**	0.0	0.0	0.0

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

The position at Q1 2026/27 shows a favourable variance of £137.5k.

The main variances are outlined below:

- Income from bank interest is greater than anticipated and is forecast to achieve a favourable variance of £215.5k against the budgeted income of £225.0k.
- Temporary Accommodation is currently forecast to operate £100.2k below budget. The Housing Options team is continuing to proactively 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 is expected to remain lower than in previous years, reflecting the favourable variance. In addition to this, expenditure on bonds and other homelessness resources is forecast to achieve a further favourable variance of £120.3k against budget.
- The benefits granted outturn is currently projected to have an adverse variance of £162.2k against budget, reflecting housing benefit income being £249.5k lower than originally budgeted. This is partially offset by £86.2k of anticipated income from discretionary housing payments, which were not included in the original budget.
- Operational Functions (including Parks) are currently projecting an overspend of £243.2k, primarily attributable to vehicle maintenance. The vehicle maintenance overspend reflects the ongoing cost of maintaining an ageing refuse fleet, together with additional pressures arising from the increased number of vehicles required for food waste collections, which began in April 2026. Fuel costs are also contributing £60.0k to the projected overspend, due to the recent significant increase in fuel prices. These combined account for £174k of the total variance. A shortfall exists on trade waste sales due to increasing competition from the private sector. All other movements are immaterial.
- Within Property Services there has been a forecast underachievement in income for Estates rental income and Business Centre room hire. These adverse variances are £25.2k and £64.1k, respectively.
- External audit fees within Financial Services are forecasted to achieve a favourable variance of £87.5k following discussions with Mazars, who indicated that audit fees are expected to be approximately 50% of the original budgeted cost.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Additional Narrative to General Fund Summary variances 2026/27	Q1 Fav/(Adv)	Q2 Fav/(Adv)	Q3 Fav/(Adv)	Q4 Fav/(Adv)	Total Fav/(Adv)	
Communitites Directorate						
Customer Services and e-Government						
Staff costs	18.8				18.8	
Benefits Admin Subsidy shortfall	(114.8)				(114.8)	
Court costs rewarded	-				-	
Central IT Costs	16.8				16.8	
Other minor variances	(5.6)				(5.6)	(84.9)
Operational Functions Including Parks						
Staff Costs (Including Agency and Overtime)	(11.0)				(11.0)	
Vehicles - Fuel, Vehicle Maintenance and Hire	(174.0)				(174.0)	
Trade, Bulks and Residual Waste Net Income	(95.3)				(95.3)	
Miscellaneous Insurances	9.0				9.0	
Cemeteries Net Income	24.3				24.3	
Public Open Spaces, Playfields and Playgrounds	0.7				0.7	
Other Minor Variances	3.0				3.0	(243.3)
Communities Team						
Staff Costs	5.9				5.9	
Other minor variances	5.3				5.3	11.2
Env'tal Health, PPU, Licensing and Enforcement						
Staff costs	(25.2)				(25.2)	
Service area running costs	11.4				11.4	
Consultant fees / Dog boarding services	12.8				12.8	
Other minor variances	1.5				1.5	0.5
Economic Development						
Staff costs (net of grant & fee income)	27.8				27.8	
Economic Development	(1.1)				(1.1)	
Tourism	(15.5)				(15.5)	
Market Income	14.5				14.5	
Climate Change	2.6				2.6	
Housing	161.1				161.1	
Planning Application Fee Income	20.1				20.1	
Heritage Properties	(8.8)				(8.8)	
Building Control Fee Income	(16.8)				(16.8)	
Planning /Building Control misc under/over	0.6				0.6	
Property Running costs	(10.5)				(10.5)	
Spinning Point bus station	(4.3)				(4.3)	
Estates Income	(25.2)				(25.2)	
Valuation Fees & Professional Fees	(4.6)				(4.6)	
Business Centre rentals	(64.1)				(64.1)	
Tree Felling / knotweed treatment	(16.4)				(16.4)	
Other minor variances	(4.9)				(4.9)	54.5
Corporate Management						
Staff costs	50.9				50.9	
Election, Democratic Services and Member costs	15.1				15.1	
Land Charges income	19.3				19.3	
Internal and External Audit - Finance	71.5				71.5	
Other Professional and Consultancy Fees	(7.9)				(7.9)	
Leisure Review	(21.4)				(21.4)	
Bank & Cash Collection Charges	(8.1)				(8.1)	
Training	14.0				14.0	
Quarterly Newspaper	(19.4)				(19.4)	
Other Minor Variances	(2.8)				(2.8)	111.3
Non-Distributed Costs & Capital Financing						
Net Interest	215.5				215.5	
Employee & Pension Costs	16.4				16.4	
Increase in MRP Contribution	55.3				55.3	
Other Corporate Variances	1.1				1.1	288.3
Favourable/(adverse) variance	**137.5**				**137.5**	**137.5**

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Communities Directorate - Customer Services & IT

Period 3 (June)

Customer Services & ICT	2026/27 Orig Budget £000	Budget Virements £000	2026/27 App Budget £000	2026/27 Q1 Outturn £000	2026/27 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Customer Services							
Benefits Adminstration	(109.8)	-	(109.8)	(119.4)	9.7	-	9.7
Benefits Granted	(196.8)	-	(196.8)	(34.6)	(162.2)	-	(162.2)
Local Tax Collection	(250.8)	-	(250.8)	(255.8)	4.9	-	4.9
Revenues & Benefits Partnership	1,260.0	-	1,260.0	1,227.5	32.4	-	32.4
Strategic Functions							
Management and Support	81.5	-	81.5	81.6	(0.1)	-	(0.1)
Service Assurance Team	114.7	-	114.7	95.5	19.2	-	19.2
Central Telephones	5.9	-	5.9	5.5	0.4	-	0.4
ICT Support	1,082.4	-	1,082.4	1,071.7	10.7	-	10.7
Total	**1,987.1**	**-**	**1,987.1**	**2,072.0**	**(84.9)**	**-**	**(84.9)**

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Benefits Admin			
External Audit Charges	-	11.3	11.3
Benefits Admin Subsidy	-	(2.6)	(2.6)
Other Minor Variances	-	1.0	1.0
Benefits Granted			
Benefits Admin Subsidy	-	(249.5)	(249.5)
Discretionary Housing Payment	-	86.2	86.2
Other Minor Variances	-	1.1	1.1
Revenues & Benefits Partnership			
Debit / Credit Card Collection Charges	-	6.3	6.3
Partnership Contracts	-	32.4	32.4
Other Minor Variances	-	(1.4)	(1.4)
Management and Support			
CS Staff	-	(0.2)	(0.2)
Other Minor Variances	-	0.1	0.1
Service Assurance Team			
SAT Staffing	-	18.7	18.7
Annual Licences	-	25.5	25.5
Transfer to Reserves	-	(15.0)	(15.0)
Consultants Fees	-	(4.0)	(4.0)
Other Minor Variances	-	(5.9)	(5.9)
ICT Support			
ICT Staff	-	0.3	0.3
Other Minor Variances	-	0.2	0.2
Central IT Costs			
Annual Licences	-	4.6	4.6
IT Equipment Maintenance	-	(35.9)	(35.9)
Other Private Contractors (Disaster Recovery)	-	(9.4)	(9.4)
Other Minor Variances	-	51.0	51.0
Telephones			
Other Minor Variances	-	0.4	0.4
TOTAL	**-**	**(84.9)**	**(84.9)**

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Customer Service & ICT Highlight Report – Q1 (June 2026)

Current Quarter

The forecast outturn variance is £84.9k adverse, the main movements being: -

- Benefits Granted is currently projected to be £162.2k adverse to budget. This reflects Housing Benefit subsidy income being £249.5k lower than originally budgeted. As the outturn is demand-driven, the forecast will continue to be monitored throughout the year as further information becomes available. This adverse variance is partially offset by £86.2k of anticipated income relating to Discretionary Housing payments, which was not included in the original budget.
- Benefits Administration is currently projected to be £9.7k favourable to budget, primarily due to an £11.3k saving on External Audit Charges.
- Savings of £32.4k are currently forecast in relation to the partnership contract with Capita.
- The IT Licences budget is projecting a £25.5k 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.
- The Service Assurance Team has a forecast salary saving of £18.7k due to one member of staff reducing their working hours.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Communities Directorate

Period 3 (June)

Operations & Communities	2026/27 Orig Budget £000	Budget Virements £000	2026/27 App Budget £000	2026/27 Q1 Outturn £000	2026/27 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Operational Functions							
Operations Admin & Vehicle Maintenance	485.4	(83.3)	402.1	432.8	(30.7)	-	(30.7)
Refuse & Recycling	2,735.4	(156.1)	2,579.4	2,765.7	(186.3)	-	(186.3)
Street Sweeping	421.0	-	421.0	396.6	24.4	-	24.4
Parks & Cemeteries							
Parks & Open Spaces	1,158.8	27.1	1,186.0	1,251.3	(65.3)	-	(65.3)
Cemeteries	460.2	35.0	495.2	480.6	14.6	-	14.6
Communities Team	308.9	-	308.9	297.7	11.2	-	11.2
Area Forums	15.0	-	15.0	15.0	-	-	-
Total	**5,584.8**	**(177.3)**	**5,407.5**	**5,639.6**	**(232.1)**	**-**	**(232.1)**

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			
Fleet Management Staffing	-	133.1	133.1
Fleet Management Agency	-	(176.5)	(176.5)
Purchase, Maintenance and Hire of Tools and Equipment	-	1.7	1.7
Professional Fees	-	10.0	10.0
Miscellaneous Variances	-	1.0	1.0
Refuse & Recycling			
General Refuse - Staffing and Agency	-	172.6	172.6
Domestic Food Waste - Staffing and Agency	-	(89.2)	(89.2)
Vehicle Maintenance (including Tyres, Parts and MOTs)	-	(108.1)	(108.1)
Vehicle Tracking Lease	-	(5.0)	(5.0)
Fuel	-	(60.0)	(60.0)
Bulks Income - Professional Services	-	(20.0)	(20.0)
Residual Waste - Net Income	-	(2.4)	(2.4)
Trade Waste Income	-	(22.9)	(22.9)
Trade Waste Tipping Fees	-	(50.0)	(50.0)
Garden Waste Service Expenditure	-	(1.0)	(1.0)
Miscellaneous Variances	-	(0.3)	(0.3)
Street Sweeping			
Street Sweeping - Staffing and Agency	-	5.9	5.9
Vehicle Maintenance (including Tyres, Parts and MOTs)	-	9.3	9.3
Hire of Vehicles and Plant	-	6.5	6.5
Purchase and Maintenance of Tools and Equipment	-	(5.0)	(5.0)
Expenditure on Other Private Contractors	-	8.0	8.0
Miscellaneous Variances	-	(0.3)	(0.3)
Parks & Open Spaces			
Parks and Open Spaces - Staffing	-	(5.1)	(5.1)
Parks and Open Spaces - Agency Staffing	-	(43.7)	(43.7)
Expenditure on External Contractors	-	(10.0)	(10.0)
Professional and Consultants' Fees	-	2.5	2.5
Miscellaneous Insurance Savings	-	9.0	9.0
Purchase, Maintenance and Hire of Tools and Equipment	-	2.4	2.4
Hire of Vehicles and Plant	-	0.2	0.2
Vehicle Maintenance (including Tyres, Parts and MOTs)	-	(14.9)	(14.9)
Upkeep of Parks and Playing Fields	-	14.4	14.4
Public Open Spaces and Play Areas	-	(13.6)	(13.6)
Provision and Maintenance of Signs		(8.3)	(8.3)
Trees, Seeds and Plants	-	(1.2)	(1.2)
Miscellaneous Variances	-	3.2	3.2
Cemeteries			
Cemeteries Staffing	-	(1.1)	(1.1)
Cemeteries Agency Staffing	-	(8.5)	(8.5)
Planned Maintenance of Cemeteries	-	(17.7)	(17.7)
Other Cemeteries Running Costs	-	(0.8)	(0.8)
Cemeteries Income and Internment Fees	-	42.8	42.8
Communities			
Communities Staffing	-	5.9	5.9
Miscellaneous Variances	-	5.3	5.3
TOTAL	-	**(232.1)**	**(232.1)**

Responsible Section/Team	Financial Services	**Page**	9
Responsible Author	Head of Finance	**Produced**	21/05/2026
Dates covered in this review	2026/27 Monitoring	**Next review**	

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Operations Highlight Report – Q1 (June 2026)

Historic Issues

- This service has historically required support from agency staff. Agency resources continue to be utilised where required to maintain service delivery.
- Volatility in fuel prices presents a financial risk to the Council, leading to an additional pressure on the service budget.

Operations and Green Spaces are forecast to have an adverse variance of £243.2k, which is broken down as detailed below: -

Henrietta Street

- Henrietta Street is forecast to achieve a favourable variance of £12.9k against budget.
- This variance is due to a £10.0k saving in professional fees which are not expected to be required, alongside a £2.5k saving in the purchase of tools and equipment.

Fleet

- Fleet is forecast to have an adverse variance of £43.8k against budget.
- This variance is primarily attributable to two vacant posts, which are being covered by higher-cost agency staff. Forecast staffing savings of £133.1k are offset by £176.5k of unbudgeted agency expenditure, resulting in a net staffing overspend of £43.5k.

Refuse

- Refuse is forecast to have an adverse variance of £186.3k against budget.
- General refuse is forecast to achieve salary savings of £127.6k, primarily due to vacant posts not requiring cover through agency. This favourable variance also reflects the inclusion of one food waste crew within the general refuse staffing budget.
- Food waste is forecast to have an adverse variance of £96.7k, comprising a £89.2k salary overspend and £7.5k of unbudgeted expenditure relating to food waste bin liners. The salary overspend is primarily due to a proportion of the staffing budget being held within general refuse, together with the requirement for agency staff to support the implementation of weekly food waste collections in April and May 2026, whilst permanent staffing arrangements were being established.
- Trade waste net income is forecast to have an adverse variance £72.9k against budget. This is attributable to a forecast income underachievement of £22.9k, together with a forecast overspend of £50.0k relating to tipping fees. The increase in tipping fees reflects the review of the pricing structure for waste disposal costs, whilst the income shortfall is due to the loss of several customers following national tendering processes where contracts have been awarded to alternative providers.
- The most significant area of overspend relates to Vehicles, which is forecast to have an adverse variance of £173.1k. This position reflects cost pressures within vehicle maintenance (£104.2k), primarily due to the significant repair costs associated with an ageing fleet, together with fuel (£60.0k) and the vehicle tracking lease (£5.0k).

Street Sweep

- Street sweep is forecast to achieve a favourable variance of £24.4k against budget.
- Salary costs are forecast to be £5.9k below budget.
- Vehicle costs are forecast to be £15.8k below budget. This comprises a saving in vehicle maintenance of £9.3k and a £6.5k saving in the hire of vehicles. The replacement of two larger street sweep vehicles in early 2026/27 has significantly reduced the maintenance and repair costs which were associated with the previous fleet.
- All expected expenditure for the year has been recorded within other private contractors, resulting in a forecast saving of £8.0k against budget.

Parks

- Parks is forecast to have an adverse variance of £65.3k against budget.
- Staffing costs are forecast to have an adverse variance of £48.9k, comprising a salary overspend of £5.1k and agency costs of £43.7k. The additional agency requirement has been necessary to provide operational resilience and maintain service delivery during periods of staff absence.
- The upkeep of playing fields and pitches is forecast to achieve a favourable variance of £14.4k. This is partially offset by an adverse variance of £13.6k within play areas.
- Vehicle costs are forecast to have an adverse variance of £15.0k against budget, primarily driven by pressures relating to vehicle maintenance.

Cemeteries

- Cemeteries are forecast to achieve a favourable variance of £14.6k against budget.
- Staffing costs are forecast to have an adverse variance of £9.6k, comprising a salary overspend of £1.1k and agency costs of £8.5k. The additional agency requirement reflects the need to provide additional resources to support service delivery.
- The planned maintenance of cemeteries, associated with the ongoing health and safety requirements, is forecast to have an adverse variance of £17.7k against budget.
- Cemetery income is forecast to total £328.5k, resulting in a favourable variance of £42.8k against budget. Cemetery running costs forecast to be broadly in line with budget, with a marginal overspend of £0.8k.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Communities Directorate

Period 3 (June)

Public Protection	2026/27 Orig Budget £000	Budget Virements £000	2026/27 App Budget £000	2026/27 Q1 Outturn £000	2026/27 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Public Protection Unit	264.0	0.5	264.5	268.8	(4.3)	-	(4.3)
Environmental Health	273.6	17.2	290.7	313.8	(23.0)	-	(23.0)
Licensing & Enforcement	30.3	27.2	57.5	29.7	27.8	-	27.8
Total	**567.9**	**44.8**	**612.7**	**612.2**	**0.5**	**-**	**0.5**

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		(22.3)	(22.3)
PPU running costs		4.0	4.0
Dog boarding Services		12.8	12.8
Environmental Health			-
Environmental Health - staffing / Agency		(22.1)	(22.1)
Consultant Fees		(1.8)	(1.8)
Environmental Health - Fees & Charges		(4.0)	(4.0)
Public Burials		3.2	3.2
Licensing			-
Licensing & Enforcement - staffing		20.6	20.6
Licensing running costs		7.0	7.0
Taxi Licensing Income		(0.2)	(0.2)
Miscellaneous Licences		2.1	2.1
Animal Licensing			-
Animal Licensing Staffing		0.4	0.4
Animal inspections		(1.3)	(1.3)
Animal Licensing income		(2.5)	(2.5)
Pool Car			-
Running costs		0.5	0.5
Other misc variances		4.1	4.1
			-
TOTAL	**-**	**0.5**	**0.5**

Public Protection, Environmental Health, Licensing and Enforcement Service Highlight Report – Q1 (June 2026)

PPU are showing a favourable variance of £0.5k, which is broken down as detailed below: -

Public Protection Unit

- The staffing costs are forecast to show an overspend of £22.3k. This is mainly due to the vacant manager post being covered by higher cost agency to maintain service delivery.
- The cost of dog boarding services is projecting an underspend of £12.8k.

Environmental Health

- The staffing costs are forecast to exceed the budget by £22.1k. This is primarily due to the use of higher-cost agency staff to maintain service delivery while vacant posts remain unfilled.
- Environmental Health income from Permitted Processes and HMO Licenses are projecting an under achievement of £4k at Q1.

Licensing

- The staffing costs are showing a saving of £20.6k due to current vacancies. The posts are expected to be recruited to during the year, reducing the projected underspend.
- Licensing income is projected to achieve £114.2k against a budget target of £116.2k, resulting in a marginal adverse variance of £2k.

Animal Licensing

- The staffing costs are forecast to be within the budget set for the year.
- Service area running costs are projecting to be within budget.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Economic Development Directorate

Period 3 (June)

Economic Development & Regeneration Services	2026/27 Orig Budget £000	Budget Virements £000	2026/27 App Budget £000	2026/27 Q1 Outturn £000	2026/27 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Planning							
Development Control	259.4	26.7	286.1	276.3	9.9	-	9.9
Forward Planning	163.6	-	163.6	146.8	16.7	-	16.7
Building Control							
Building Control - Fee Earning Account	(34.8)	-	(34.8)	(15.6)	(19.2)	-	(19.2)
Building Control - Statutory Function	33.6	-	33.6	29.5	4.2	-	4.2
Building Control - Street Signs	3.0	-	3.0	1.9	1.1	-	1.1
Regeneration							
Economic Regeneration	279.9	-	279.9	274.9	5.0	-	5.0
Tourism	65.0	-	65.0	80.5	(15.5)	-	(15.5)
Markets	124.0	-	124.0	109.6	14.4	-	14.4
Climate Change	44.5	-	44.5	42.1	2.4	-	2.4
Property Services & Facilities Management							
Property Services	22.5	-	22.5	22.9	(0.4)	-	(0.4)
Corporate Estates	(392.0)	-	(392.0)	(372.1)	(19.9)	-	(19.9)
Non Domestic Estates	(145.6)	-	(145.6)	(144.4)	(1.2)	-	(1.2)
Office Accommodation	47.6	-	47.6	48.9	(1.3)	-	(1.3)
Operational Properties	333.2	-	333.2	366.7	(33.5)	-	(33.5)
Leisure Properties	139.1	-	139.1	156.8	(17.7)	-	(17.7)
Bus Shelters	134.2	-	134.2	131.1	3.0	-	3.0
Business Centre	111.1	-	111.1	162.1	(51.0)	-	(51.0)
Strategic Housing							
Housing Strategy	39.3	-	39.3	39.8	(0.6)	-	(0.6)
Private Sector Housing Renewals	15.8	-	15.8	15.9	(0.0)	-	(0.0)
Homelessness	772.1	-	772.1	614.0	158.1	-	158.1
Total	**2,015.4**	**26.7**	**2,042.1**	**1,987.6**	**54.5**	**-**	**54.5**

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

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	-	16.4	16.4
Planning staffing	-	1.3	1.3
Planning Consultancy fees/ Legal fees	-	(1.2)	(1.2)
Site safety / Enforcement costs	-	(8.8)	(8.8)
Planning Application Fee Income	-	20.1	20.1
Pre-App Income	-	-	-
Other Miscellaneous Variances	-	(1.3)	(1.3)
Building Control			
Building Control staffing	-	(0.2)	(0.2)
Building Control Fees	-	(16.8)	(16.8)
Building Control - Statutory Function	-	1.9	1.9
Building Control - Street Signs	-	1.2	1.2
Regeneration			
Economic Regeneration Staffing	-	6.1	6.1
Economic Regeneration - Other Miscellaneous Variances	-	(1.1)	(1.1)
Tourism and Promoting Rossendale	-	(15.5)	(15.5)
Markets - Direct Costs	-	(35.0)	(35.0)
Markets - Direct Income	-	49.4	49.4
Climate Change - Staffing and Associated Costs	-	2.4	2.4
Strategic Housing			
Housing Strategy Staffing	-	(0.1)	(0.1)
Homelessness Staffing and Agency	-	(3.6)	(3.6)
Private Sector Renewals Staffing	-	(0.1)	(0.1)
Professional Fees	-	(1.9)	(1.9)
Homelessness Accommodation (B&Bs)	-	100.2	100.2
Payment of Bonds and Rent	-	52.7	52.7
Other Homelessness Resources	-	67.6	67.6
Housing Benefits Received	-	(205.5)	(205.5)
Recharge of Housing Benefit Subsidy Shortfall	-	147.2	147.2
Other Miscellaneous Variances	-	1.0	1.0
Property Services Team			
Property Services staffing	-	8.1	8.1
Corporate Estates			
Corporate Estates rental income	-	(25.2)	(25.2)
Valuation Fees	-	(2.6)	(2.6)
Professional Fees	-	(2.0)	(2.0)
Operational Properties			
Property Running Costs: Repairs & Maintenance	-	0.1	0.1
Gas, Electricity, Water	-	(16.6)	(16.6)
NNDR	-	2.3	2.3
Boilers / Alarms / Lifts / Emergency Lighting	-	2.4	2.4
Legionella / Asbestos	-	1.4	1.4
Tree Felling	-	(16.4)	(16.4)
Knotweed Treatment	-	-	-
Leisure Properties	-	-	-
Bus Station / Shelters			
Spinning Point Bus Station running costs	-	(4.3)	(4.3)
Spinning Point Bus Station - Departure charges	-	-	-
Bus Shelters	-	-	-
Business Centre			
Business Centre running costs	-	(0.9)	(0.9)
Business Centre rentals	-	(64.1)	(64.1)
Business Centre Fit Tarrif	-	0.0	0.0
Other Miscellaneous Variances	-	(4.1)	(4.1)
TOTAL	**-**	**54.5**	**54.5**

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

<u>Economic Development & Regeneration Highlight Report – Q1 (June 2026)</u>

Planning & Building Control are showing a favourable variance of £12.6k, which is broken down as detailed below: -

- Planning/Forward Planning staffing costs are showing a favourable variance of £17.7k.
- Building Control staffing costs are forecast to have an adverse variance of £0.2k.
- Consultancy costs are projecting an over spend of £1.2k.
- The Planning fee income is forecast to over achieve by £20.1k
- Pre-application fees are projected to achieve the income budget target.
- Building Control income is expected to under achieve by £16.8k.

Economic Regeneration is forecast to achieve a favourable variance of £6.3k, which is broken down as detailed below: -

- Economic Regeneration staffing costs are forecast to have a favourable variance of £6.1k, primarily due to the External Funding Recharge, which enables eligible staff costs to be recovered through externally funded projects and grant allocations.
- Tourism is forecast to have an adverse variance of £15.5k.
- Markets are forecast to achieve a favourable variance of £14.4k against budget. This reflects an overspend on running costs of £35.0k, which is completely offset by an overachievement in income of £49.4k. The overspend on running costs is primarily attributable to the ongoing operation of the temporary market in Rawtenstall, where costs are higher than originally anticipated. Despite these additional costs, the temporary market in Rawtenstall continues to perform strongly. Haslingden Market is continuing to develop its customer base, with encouraging progress being made.
- Climate Change is forecast to achieve a favourable variance of £2.4k, primarily attributable to salary savings.

Housing has a favourable variance of £157.5k which is broken down as detailed below:

- Staffing costs are currently forecasting an adverse variance of £3.8k, comprising a £0.1k adverse variance within Housing Strategy, a £3.6k adverse variance within the Housing Options Team, and a £0.1k adverse variance within Private Sector Renewals.
- Expenditure on bonds and other homelessness resources to support the provision of temporary accommodation is forecast to be £71.7k, representing a favourable variance of £120.3k against budget.
- Expenditure on temporary accommodation is currently forecast to be £100.2k below budget. The Housing Options Team continues to work proactively to reduce the Council's use of B&B accommodation through timely homeless decisions, comprehensive needs assessments, effective support within temporary accommodation and efficient use of the Council's own temporary accommodation stock. These measures have reduced the average length of stay in B&B accommodation and, consequently, the overall cost to the Council.
- The reduction in B&B usage outlined above reduces both the housing benefit income received from the DWP and the associated subsidy shortfall recharge from Customer Services. Rossendale Borough Council receives housing benefit income from the DWP to offset B&B accommodation costs; therefore, the lower expenditure results in a £205.5k adverse variance in housing benefit income. This is partially offset by a £147.2k favourable variance in the associated subsidy shortfall. When combined with the £100.2k underspend on temporary accommodation, the overall position is £41.9k favourable.

Property Services and Facilities Management is currently projecting an adverse variance of £121.9k. This is broken down as detailed below: -

- Salary costs are showing a favourable variance of £8.1k. The vacant manager post has now been appointed.
- Property running costs are currently forecast to over spend by £10.5k. Utility costs are being monitored and have improved compared with last year.
- Valuation fees / professional fees are projecting an overspend of £4.6k.
- Estates rental income at Q1 is showing an under achievement of £25.2k. Work is ongoing to renew existing leases and secure new agreements, with the aim of reducing the shortfall during the year.
- The Business Centre room hire is projecting an under achievement of £64.1k. The Property team are looking to increase tenant occupancy within the building.
- Tree Felling costs across unmaintained land are expected to cost £16.1k. This is an unbudgeted cost.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Corporate Services Directorate

Period 3 (June)

Corporate Management	2026/27 Orig Budget £000	Budget Virements £000	2026/27 App Budget £000	2026/27 Q1 Outturn £000	2026/27 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Corporate Management							
Executive Office	396.8	82.9	479.7	481.0	(1.2)	-	(1.2)
Corporate Contingency	37.5	-	37.5	30.0	7.5	-	7.5
Corporate Subscriptions	55.0	-	55.0	63.6	(8.6)	-	(8.6)
Legal Services	192.3	-	192.3	177.2	15.1	-	15.1
Land Charges	17.1	-	17.1	(4.4)	21.5	-	21.5
Democratic Services							
Electoral Registration	93.1	-	93.1	87.7	5.5	-	5.5
Elections	88.2	-	88.2	84.1	4.1	-	4.1
Democratic Support	348.8	-	348.8	325.4	23.4	-	23.4
Mayoralty & Civic Events	63.2	-	63.2	60.5	2.7	-	2.7
Town Twinning	2.5	-	2.5	2.5	-	-	-
Financial Services							
Treasury Management	209.1	-	209.1	129.8	79.3	-	79.3
Insurance, Risk & Audit Fees	65.1	-	65.1	81.7	(16.6)	-	(16.6)
Financial Services	529.4	-	529.4	537.4	(8.0)	-	(8.0)
People & Policy							
Human Resources	643.9	-	643.9	644.0	(0.1)	-	(0.1)
Corporate Support	307.8	(177.1)	130.8	122.6	8.2	-	8.2
Publicity	-	-	-	-	-	-	-
Leisure Services	90.0	-	90.0	111.5	(21.4)	-	(21.4)
Local Government Reorganisation	313.0	-	313.0	313.0	(0.0)	-	(0.0)
Total	**3,452.8**	**(94.2)**	**3,358.6**	**3,247.4**	**111.3**	**-**	**111.3**

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

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	-	-	-
Conferences, Events and Travel	-	(2.2)	(2.2)
Other Minor Variances	-	0.8	0.8
Mayoral Car	-	0.2	0.2
Corporate Contingency	-	7.5	7.5
Executive Office Servicing	-	(8.6)	(8.6)
LGR	-	-	-
Legal Services			
Salary variances	-	15.0	15.0
Professional fees	-	0.6	0.6
Legal Income	-	(0.9)	(0.9)
Other Legal Misc under/ over	-	0.4	0.4
Land Charges			
Salary variances	-	1.7	1.7
Search Income	-	19.3	19.3
Other minor variances	-	0.5	0.5
Democratic Services			
Salary Variances Elections	-	6.3	6.3
Other Election Misc under/ over	-	3.1	3.1
Salary Variances Democratic Support	-	6.5	6.5
Members Costs	-	15.1	15.1
Other Dem Misc under /over	-	4.6	4.6
Town Twinning	-	-	-
Treasury Management			
External Audit	-	87.5	87.5
Bank Charges	-	(8.1)	(8.1)
Other Miscellaneous Variances	-	(0.1)	(0.1)
Insurance, Risk & Audit Fees			
LCC Audit Fees	-	(16.0)	(16.0)
General Subscriptions	-	(0.6)	(0.6)
Financial Services			
Accountants - Salaries	-	3.0	3.0
Exchequer - Salaries	-	(0.4)	(0.4)
Professional and Consultancy Fees	-	(7.9)	(7.9)
Other Miscellaneous Variances	-	(2.7)	(2.7)
Human Resources			
Salary variances	-	12.4	12.4
Authority wide Training	-	14.0	14.0
Quarterly Newspaper	-	(19.4)	(19.4)
Subscriptions	-	(5.4)	(5.4)
Other minor variances	-	(1.7)	(1.7)
Corporate Support			
Salary variances	-	6.4	6.4
Agency	-	(2.8)	(2.8)
Stationery	-	2.0	2.0
Other variances	-	2.5	2.5
Leisure			-
Leisure Review	-	(21.4)	(21.4)
TOTAL	**-**	**111.3**	**111.3**

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Corporate Management Highlight Report – Q1 (June 2026)

Current Quarter

The Corporate Management Directorate outturn has delivered a favourable variance of £111.3k at the end of the year, the main movements being: -

- Staffing costs at Q1 are showing a favourable variance of £50.9k compared to budget:
  - Land Charges is showing a favourable variance of £1.7k.
  - Democratic Services is showing a favourable variance of £6.5k.
  - Elections is showing a favourable variance of £6.3k.
  - Financial Services is showing a favourable variance of £2.6k.
  - People & Policy is showing a favourable variance of £12.4k due there being a vacant post and reduced working hours.
  - Corporate Support is reporting a favourable variance of £6.4k due to a vacant post. Following the disbandment of the Corporate Support Team, the service now consists of two members of staff, with the remaining functions and staff transferred to individual departments across the Council.
  - Legal is showing a favourable variance of £15.0k due to a vacant post.
- Members costs are underspent by £15.1k.
- The quarterly newspaper publication, introduced to increase public transparency, is reporting an adverse variance of £19.4k due to unbudgeted costs.
- External Audit Charges are forecast to achieve a favourable variance of £87.5k following discussions with Mazars, who indicated that audit fees are expected to be approximately 50% of the original budgeted cost. This favourable variance is partially offset by a forecast adverse variance of £16.0k attributable to Internal Audit Fees.
- Bank Charges are forecast to have an adverse variance of £8.1k against budget.
- The Council's Leisure Review has now concluded with final associated costs of £21.4k.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Non-Distributed Costs & Capital Financing	2026/27 Orig Budget £000	Budget Virements £000	2026/27 App Budget £000	2026/27 Q1 Outturn £000	2026/27 Variance (Adv)/Fav £000	Variance last reported £000	Change in Qtr 1 (Adv)/Fav £000
Non Distributed Costs							
Employee & Pension Costs	(57.0)	200.0	143.0	126.6	16.4	-	16.4
Other Non-distributed Costs	35.3	-	35.3	34.1	1.1	-	1.1
Capital Financing							
Minimum Revenue Provision	750.0	-	750.0	694.7	55.3	-	55.3
Interest (net)	265.0	-	265.0	49.5	215.5	-	215.5
Total	**993.3**	**200.0**	**1,193.3**	**905.0**	**288.3**	**-**	**288.3**

Key changes made during the period to the full year forecast	Variance Bfwd £000	Variance this Qtr £000	Full-Yr Forecast £000
Employee & Pension Costs			
Vacancy Control and Unpaid Leave Savings Target - Net	-	16.4	16.4
Other Corporate	-	1.1	1.1
Capital Financing			
Repayment of Loan - MRP	-	55.3	55.3
Interest Receivable	-	215.5	215.5
TOTAL	**-**	**288.3**	**288.3**

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Non-Distributed Costs & Capital Financing Highlight Report – Q1 (June 2026)

Historic Issues

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

Current Quarter Issues

- The Minimum Revenue Provision (MRP) is forecast to be £55.3k under budget, primarily due to delays in the delivery of capital projects.
- Net interest is forecast to achieve a favourable variance of £215.5k, primarily due to income earned from longer-term, higher-interest deposits maturing during the year. Officers have continued to actively maximise interest receivable on the Council's cash balances.
- Non-distributed costs include an unpaid leave savings target of £25.0k. Historically, there has also been a vacancy savings target however, vacancy savings are now reflected within the relevant departmental variances.
- Employee contributions relating to the purchase of additional leave are included within non-distributed costs.
- Further analysis regarding the employee-related savings is included in the 'Staff Costs' section of the monitoring pack.

Future Issues

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

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Earmarked Reserves

Earmarked Reserves (cash-backed items only)	Local Business Rates Retention Reserve	Transitional Budgetary Support	Rawtenstall Bus Station Commuted sum	Directorate Reserves	MMI	General Reserves	Total Reserves
Balance at 01/04/2026	**5,108.84**	**5,866.16**	**486.04**	**3,491.32**	**228.78**	**1,000.00**	**16,181.13**
Funds Received 2026/27							
Transfer between Reserves							**0.00**
Revenue Support Grant		6,985.00					**6,985.00**
Collection Fund - S31 Grants (NNDR3)		4,931.00					**4,931.00**
Collection Fund - Renewable Energy (NNDR1/3)		397.00					**397.00**
Business Rates Pooling net gain							**0.00**
New Homes Bonus							**0.00**
Extended Producer Responsibilities		730.00					**730.00**
Recovery Grant		297.00					**297.00**
Employers NI Contribution Scheme							**0.00**
Other Revenue income received				298.80			**298.80**
Total Funds Available	**5,108.84**	**19,206.16**	**486.04**	**3,790.12**	**228.78**	**1,000.00**	**29,819.93**
2026/27 Published Budget Utilisation							
Retained Business Rates							**0.00**
Revenue Support Grant		(6,985.0)					**(6,985.0)**
Collection Fund - S31 Grants (NNDR3)		(4,931.0)					**(4,931.0)**
Collection Fund - Renewable Energy (NNDR1/3)		(397.0)					**(397.0)**
Business Rates Pooling net gain							**0.00**
New Homes Bonus							**0.00**
Extended Producer Responsibilities		(730.0)					**(730.0)**
Recovery Grant		(297.0)					**(297.0)**
Employers NI Contribution Scheme							**0.00**
General budget support		(1,139.7)					**(1,139.7)**
2026/27 Other Utilisation Plans							
Transfers between Reserves							**0.00**
Other Utilisation from Directorates				(817.4)			**(817.4)**
Total Utilisation Commitment	0.00	(14,479.7)	0.00	(817.4)	0.00	0.00	**(15,297.1)**
Reserve Estimates 31/03/2027	**5,108.84**	**4,726.46**	**486.04**	**2,972.73**	**228.78**	**1,000.00**	**14,522.84**
Future Contributions/Utilisation Plans							
2027/28 Plans		(917.0)		(617.4)			**(1,534.4)**
Potential Reserve Balances	**5,108.84**	**3,809.46**	**486.04**	**2,355.33**	**228.78**	**1,000.00**	**12,988.44**

Current Issues

The brought forward reserves balance is £16,181.1k as shown in the table above. Of this balance c. £3,491.3k is ring-fenced. As noted on page 2, the projected favourable variance at Q1 of £137.5k will reduce the contribution required from the Transitional Reserve as predicted in the 2026/27 MTFS.

Grants Unapplied

Grants Unapplied (* denotes a capital grant)	Disabled Facilities Grants £000	Capital Regeneration £000	Local Authority Housing Fund £000	DEFRA Waste Capital Fund * £'000	Pride in Place £'000	Total
Balance at 01/04/2026	**1,516.4**	**11,335.4**	**269.9**	**88.7**	**383.0**	**13,593.4**
New Funds Received 2026/27						
Grant due/received	1,533.0	1,237.0	382.0			**3,152.0**
Total Funds Available	**3,049.4**	**12,572.4**	**651.9**	**88.7**	**383.0**	**16,745.4**
Utilisation in 2026/27						
DFGs Outturn 2025/26	(2,048.0)					**(2,048.0)**
CRP Markets and Gyratory		(12,572.4)				**(12,572.4)**
Local Authority Housing Fund (LAHF)			(651.9)			**(651.9)**
DEFRA Food Waste				(88.7)		**(88.7)**
UKSPF						**0.0**
Pride in Place					(383.0)	**(383.0)**
Balance 31/03/2027	**1,001.4**	**0.0**	**0.0**	**0.0**	**-**	**1,001.4**

In addition to the £1,516.4k of unspent DFG grant brought forward at 1st April 2026, the 2026/27 allocation of £1,533.0k has been confirmed, giving total DFG resources of £3,049.4k. The utilisation is based on the capital spend for the year.

Additional funding of £1,237k has been received for the Capital Regeneration Programme. A further £382k relating to the Local Authority Housing Fund has been received in the year and will be utilised as the projects progress.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Staff Costs, Including Agency

Net Employment Costs 01/04/27 to 30/06/2026	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 2026/27	FTE Changes during 2026/27	Current Vacant Posts
Communities Directorate								
Customer Services	99.6	91.9	7.7		7.7	7.8	0.0	0
Operations, Parks & Cemeteries	1,086.1	1,098.1	(11.9)		(11.9)	101.1	0.0	14.5
PPU Env Health & Licensing	141.5	162.5	(21.0)		(21.0)	12.6	0.0	3
Communities Team	53.4	48.4	5.0		5.0	4.6	0.0	0
Economic Development Directorate								
Planning & Forward Planning	161.9	144.0	17.8		17.8	13.8	0.0	1
Building Control	34.0	32.8	1.2		1.2	3.0	0.0	0
Regeneration & Housing	189.3	199.0	(9.7)		(9.7)	33.0	0.0	1
Property Services	45.4	43.2	2.2		2.2	5.0	0.0	0
Corporate Services								
Executive Directorate	115.1	103.2	11.9		11.9	3.0	3.0	1
Democratic Services, Legal & Local Land Charges	124.5	105.7	18.9		18.9	10.2	0.0	0
Finance Services	127.1	116.1	10.9		10.9	11.0	0.0	0
People & Policy	166.2	161.5	4.7		4.7	14.9	0.0	1
Total	2,344	2,306	38	-	38	220.0	3.0	21.5
Additional Leave			10	-				
Net Total Staff Savings at Q1			48	-				

Salary savings at Q1	
Net Salary savings	38
Additional Leave	10
Total Staff Savings for Q1	48
Projected Annual savings fav/(adv)	192

Net employee underspends at Q1 amount to £38k, in addition there are savings related to purchased additional leave of £10k; a total staff saving of £48k. If current trends persist this will result in an underspend for the year of £192k. However, it should be noted that this will in the main be offset with the use of agency staff.

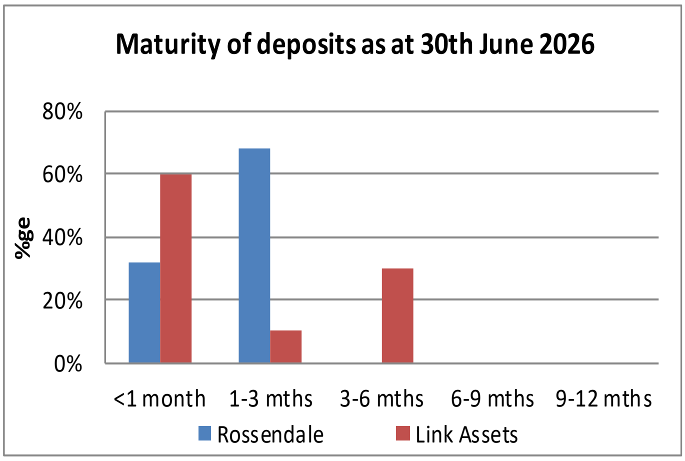
The council currently has 21.5 vacant posts, the majority of these posts are being filled with agency staff at a much greater cost.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

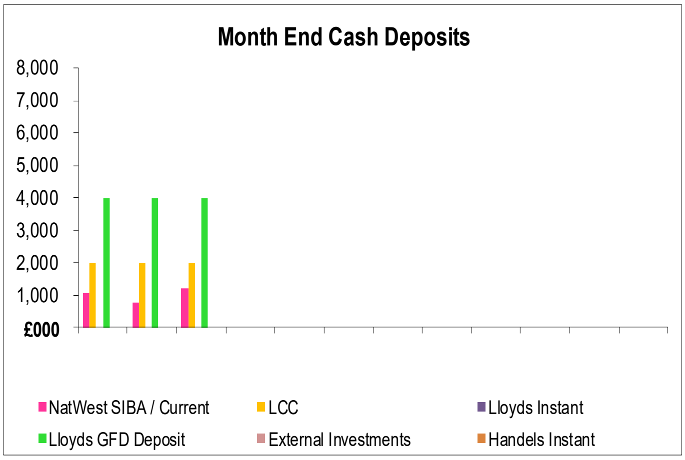
Treasury Management & Cash Flow Monitoring

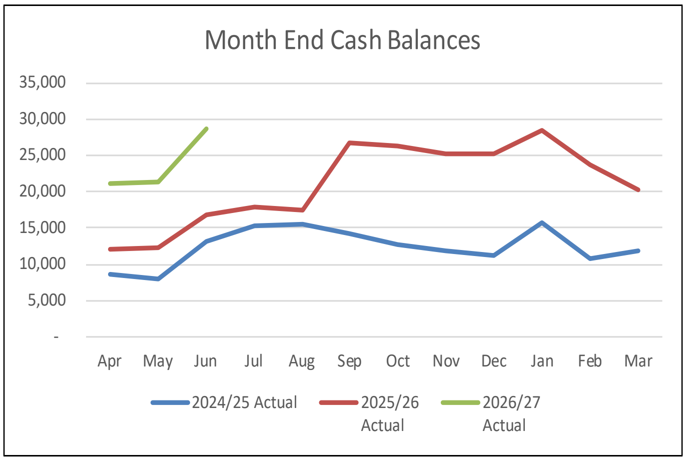
At 30 June 2026, the Council's bank balances were £28.7m. This represents an increase compared with previous years, primarily due to funds being received in advance for capital schemes.

The Bank of England Base Rate has remained unchanged throughout the first quarter of 2026/27. Similar to the previous financial year, the Council has continued to adopt a proactive approach to treasury management, taking advantage of the investment opportunities available from temporary cash balances. This approach has enabled the Council to maximise interest income beyond budgeted levels, helping to mitigate the impact of rising costs caused by ongoing inflationary pressures.



Balances & Interest Rates at 30/06/2026	Current Balance £k	Avg Interest Rate %
NatWest SIBA	1,211	0.10
Lancashire CC Call	2,000	3.50
Handelsbanken Instant	-	0.00
External Investments	20,500	3.77
Lloyds Instant Access	1,000	3.51
Lloyds GFD Deposit	4,000	4.08
Total Bal & Avg interest	28,711	3.63





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.

As outlined above, the Council has continued to adopt a more proactive approach to fixed and longer-term investments for a proportion of surplus cash balances. In accordance with the approved Treasury Management Strategy, these deposits are placed with high-quality counterparties, including Central Government and other local authorities. This strategy remains prudent and consistent with CIPFA's Prudential Code, which prioritises Security and Liquidity over Yield (SLY).

At 30th June 2026, the Council's portfolio consisted of £1.2m 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 £20.5m 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 2026/27	Forecast 2026/27	Variance Fav/(Adv)
Revenue			
Interest payable (PWLB)	(90.0)	(90.0)	0.0
Other interest payable	(400.0)	(400.0)	0.0
Misc Interest income	0.0	0.0	0.0
Bank Interest income	225.0	440.0	215.0
Net Interest	**(265.0)**	**(50.0)**	**215.0**

The average effective interest rate at the end of Q1 was 3.63%.

Interest Paid / Received

The budget for interest in 2026/27 is a net cost of £265.0k. The outturn position is forecast to be net income of £215.0k. This favourable variance reflects higher-than-anticipated cash balances available for investment, together with a slower-than-expected reduction in interest rates.

Borrowing

The Council has identified a prudential borrowing requirement of £12.7m to support the financing of its capital expenditure programme over the Medium-Term Financial Strategy (MTFS) period from 2026/27 to 2027/28.

With the Bank of England Base Rate remaining unchanged during the first quarter of 2026/27, there have been no significant changes on the borrowing rates available 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.

Interest Rate Forward Predictions

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

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MUFG 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

MUFG 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 2026/27 and was approved by Council on 4th March 2026.

Prudential Indicators

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

Financing of Capital Expenditure	Original 2026/27 £'000	Q1 Revised £'000
Capital Receipts	1,600	1,686
Capital Grants	17,228	19,853
S106	-	2
Capital Reserves	-	-
Earmarked Reserves	-	245
Total in-year resources	18,828	21,786
Net Financing need for year	11,349	7,968

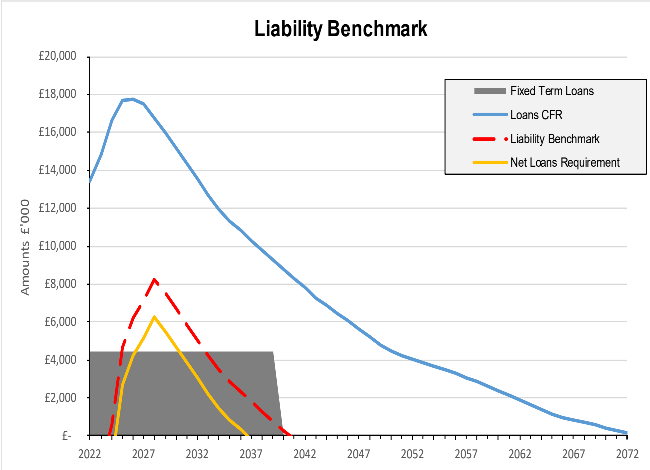
Capital Expenditure	Original 2026/27 £'000	Q1 Revised £'000
Climate Change	1,679	1,704
Housing	2,021	2,930
Corp Services & Buildings	3,420	872
Ops & Coms	10,271	6,727
Regeneration	12,786	17,521
Total	30,177	29,754

CFR	Original 2026/27 £'000	2026/27 Actual £'000
Total CFR	30,346	28,534

Operational Boundary & Authorised Limit	Original 2026/27 £'000	Revised 2026/27 £'000
Operational Boundary	20,000	20,000
Authorised Limit	18,000	18,000

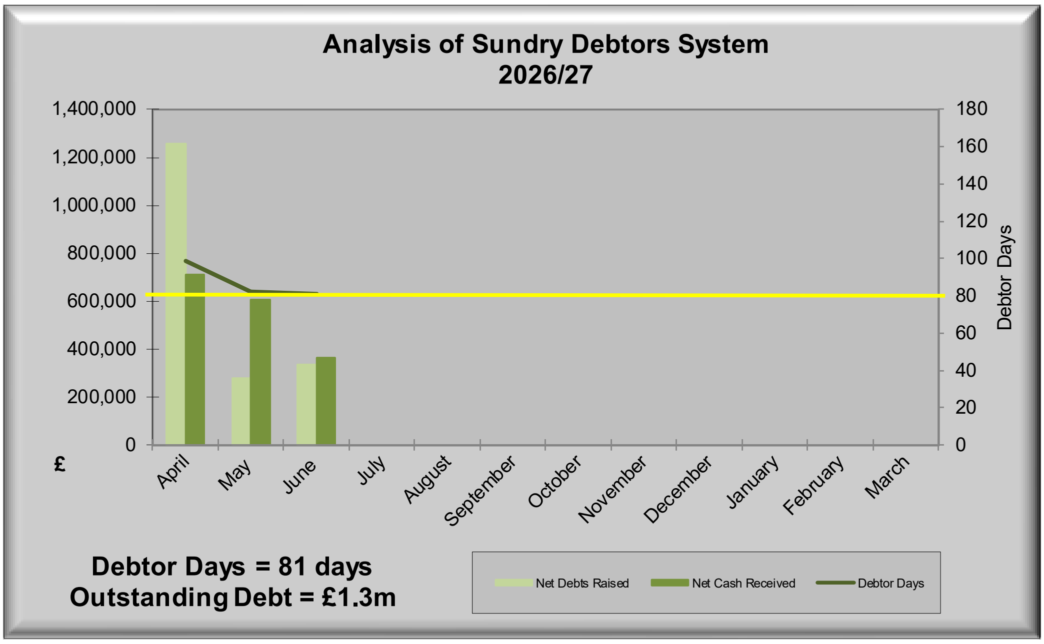
Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Ratio of financing costs to net revenue stream	Original 2026/27 £'000	Revised 2026/27 £'000
Interest Payable - Services	490	490
Interest Receivable	(225)	(441)
Net cost of capital	**265**	**50**
Net Revenue Stream	10,256	14,572
Ratio of financing costs to net revenue stream	**2.58%**	**0.34%**

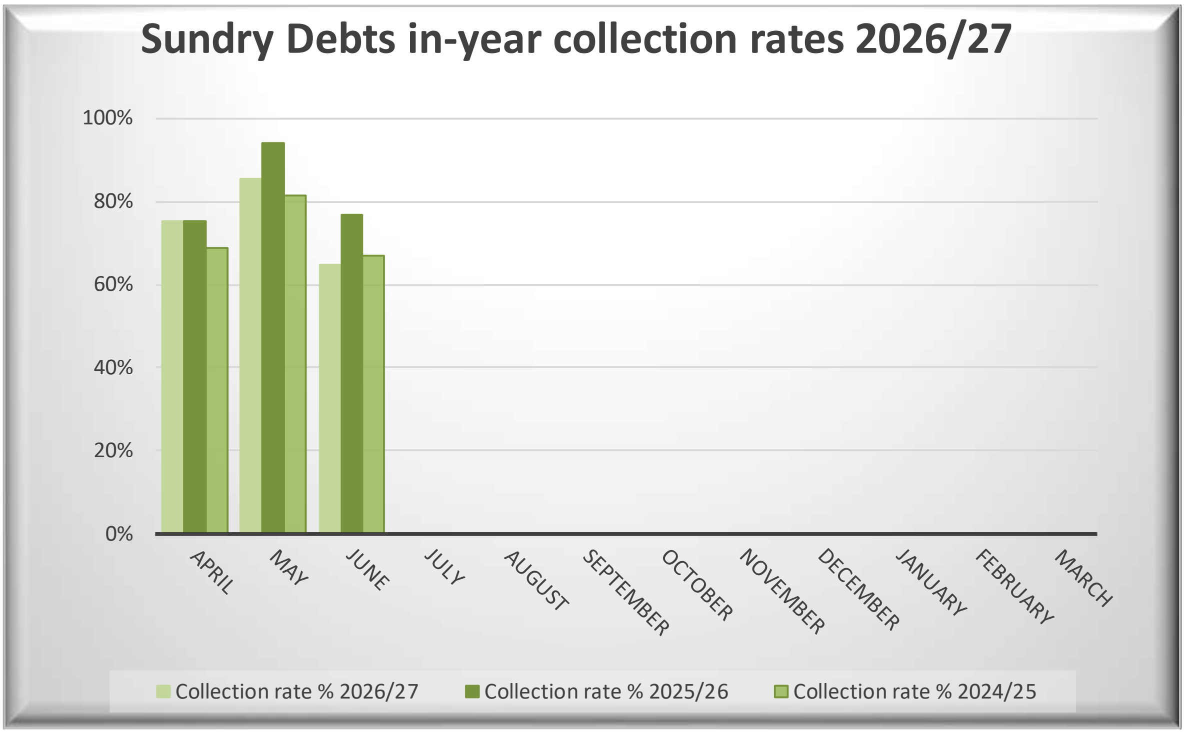


Sundry Debts Monitoring

Invoices raised in the year, to the end of Q1 totalled £1,868k. As at June 2026, £470k (25%) of new debts raised in the year were considered outstanding or overdue resulting in a collection rate of 75%.



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.



Doubtful Debts

The debtor days in Q1, based on a rolling 12 month average is currently 81 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 wil 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 2026 is at £842.9k, plus a further £5.4k, which has been set aside for licensing debt.

The debts below exclude the Rossendale Leisure Trust Debt which stood at £1.309m as at 30th June 2026.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Debts Outstanding	Mar 2026 £000	Jun 2026 £000	Doubtful Debts at 30 Jun 2026 Rate	£000
Earlier Debt	45.9	45.9	100%	45.9
2017/18 Debt	63.1	62.3	100%	62.3
2018/19 Debt	39.1	39.1	100%	39.1
2019/20 Debt	9.3	8.9	100%	8.9
2020/21 Debt	107.3	107.3	100%	107.3
2021/22 Debt	38.3	38.2	100%	38.2
2022/23 Debt	79.9	78.9	100%	78.9
2023/24 Debt	150.1	149.6	100%	149.6
2024/25 Debt	137.0	135.0	75%	101.3
2025/26 Debt	450.1	147.5	50%	73.8
2026/27 Debt				
Q1 Apr		311.1	15%	46.7
Q1 May		40.4	15%	6.1
Q1 Jun		118.8	15%	17.8
Total Debt o/s	**1,120.1**	**1,283.0**		**775.9**

Capital

Capital Resources

Useable Capital Resources

Useable Capital Resources	**£ 000**	**£ 000**
Balance at April 2026	1,935	
Capital Grants in 2026/27	19,853	
Capital Receipts in 2026/27	16	
Revenue Contributions		
from Earmarked Reserves	245	
Total Capital Resources 2026/27		**22,049**
Funding Applied		
Capital Grants	(19,853)	
Revenue Contribution	(245)	
Capital Receipts	(1,688)	
Total Capital Prog funding applied 2026/27		**(21,786)**
Total Capital Resources March 2027		**263**
Capital Receipts Reserve (Whitworth)		38
Capital Receipts Reserve (unallocated)		225

Capital Programme

The Capital Programme for 2026/27 (approved in March 2026) was £30,177k, this includes:

- £11,347k for the Capital Regeneration Programme;
- £6,200k for the Waste Transfer Station;
- £2,500k for a Leisure Facilities upgrade
- £2,144k for the Vehicle Replacement Programme;
- £1,579k for the Marl Pits Decarbonisation Programme
- £1,237k for the 3G Football pitch upgrade;
- £1,021k for the purchase of properties for Supported Accommodation;
- £600k for the extension of Haslingden cemetery;
- £606k for the Haslingden Big Lamp project
- £473k for improvements to Stubbylee Hall
- £360k for the Pride in Place capital projects
- £490k for General Building renovations
- A provisional estimate of £1,000k for DFGs.

A further £7,702k of slippage had been included at the start of the year, relating to projects which were ongoing at the end of 2025/26, with prior year allocations not yet spent. This includes £1,516k relating to DFGs. Items of estimated slippage and the associated funding arrangements are shown in the table on page 34.

The following are capital projects that have been approved in the current year (2026/27), giving an additional total of £643k, this includes:

- £533k of additional DFG funding has been added to the base programme, resulting from actual grant received of £1,533k.
- £110k relating to improvements to the Edgeside Park play area, with additional part funding from the Derbyshire Environmental Trust and Pride in Place.

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 2026 is £1,935k. This represents the most effective method of financing the planned Capital spend in 2026/27. It is estimated that £1,688k will be applied from the Capital Receipts Reserve in 2026/27.

The total grant income for the approved capital programme is £19,853k (including DFGs). Current funding for the slippage brought forward into the 2026/27 capital programme, and the additional projects in 2026/27, consists of a mixture of resources, namely grants, capital receipts and (internal) borrowing.

Monthly Financial Monitoring Report 2026/27 Q1 June 2026

Capital Programme Spending

Capital Programme 2026/27	Original Cap Prog £000	Revised Cap Prog £000	Spent (including Commitments) £000	Full-Year Forecast £000	Variance (Adv)/Fav £000	Estimated Slippage £000
IT Software & Equipment	-	26	26	26	0	0
Operations	2,204	2,391	1,067	2,388	3	3
Communities	1,867	1,975	110	383	1,592	1,592
Housing	2,021	4,316	739	2,930	1,386	1,386
Property Repairs & Maint	490	590	92	590	-	-
Car Parks General 22-26 MTFS	30	30	-	-	30	30
Haslingden 2040 NLHF	606	785	715	785	-	-
Waterfoot	-	-	51	51	(51)	-
Stubbylee Hall	473	473	-	473	-	-
Carbon Reduction Fund	100	129	17	129	-	-
Net Zero Terraced Streets	-	-	(1)	-	-	-
PSDS Marl Pits Decarbonisation	1,579	1,575	1,376	1,575	-	-
Whitaker Park	-	333	143	343	(10)	-
Food Waste Collections	-	89	51	89	-	-
Waste Transfer Station	6,200	6,200	2,145	6,200	-	-
Leisure Facilities upgrade	2,500	2,500	-	250	2,250	2,250
Legacy Liabilities	400	374	-	-	374	374
Capital Regeneration Projects (LUF)	11,347	16,376	4,979	16,376	-	-
Pride In Place	360	360	26	360	-	-
	30,177	38,522	11,538	32,948	5,574	5,635

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Slippage items bfwd at end of 2025/26	Costs '£000	Indicative Funding Arrangements: Grants/ Contrib'n	Capital Receipts	RCCO (reserves or S106)	RBC Int Borrow
Communities Directorate					
Football Pitch Upgrade	108	108			
Sub-total Communities	**108**	**108**	**-**	**-**	**-**
Operations					
Vehicles / Equipment	187				187
Food Waste Collections	89				89
Sub-total Operations	**276**	**-**	**-**	**-**	**276**
Economic Development Directorate					
Carbon Reduction Fund	25				25
Haslingden 2040 NLHF	179	179			
Whitaker Park	223				223
General Building Renovations & Maintenance	100				100
Sub-total Econ Devmt	**527**	**179**	**-**	**-**	**348**
Housing					
DFG'S - Mandatory Grants	1,516	1,516			
Supported Accommodation	246	246			
Sub-total Housing	**1,762**	**1,762**	**-**	**-**	**-**
Capital Regeneration Projects	**5,029**	5,029			
Total	**7,702**	**7,078**	**-**	**-**	**624**

Minimum Revenue Provision (MRP)

Minimum Revenue Provision (MRP)	MRP Budget 2025/26	MRP Required 2024/25	(Additions) / Underspend 2025/26
	£000	£000	£000
Corporate	750	695	55
	750	695	55

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

The Minimum Revenue Provision (MRP) charge for 2026/27 has reduced by £55k compared to the budget. This is due to the level of capital expenditure funded through internal borrowing in 2025/26 being lower than originally assumed when the budget was set, resulting in a lower MRP requirement for 2026/27.

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Section 106 Receipts Monitoring

The value of S106 agreements brought forward on the 1st April 2026 was £875.2k. To the end of June 2026, there have been two S106 deposits totalling £159.1k. There has been one contribution amounting to £10k applied to a project. This leaves £1,024.3k held on the balance sheet, yet to be allocated.

Section 106 Agreements 2026/27	**Third Party Projects £'000**	**RBC Revenue Projects £'000**	**RBC Capital Projects £'000**	**Total Held £'000**
Balance bfwd at 1st April 2026	264.7	54.9	555.6	**875.2**
Deposits received in 2026/27	102.0		57.1	**159.1**
Deposits applied in 2026/27		(10.0)		**(10.0)**
Current Balance	**366.7**	**44.9**	**612.7**	**1,024.3**

Section 106 Agreements in detail	**Third Party Projects £'000**	**RBC Revenue Projects £'000**	**RBC Capital Projects £'000**	**Total Held £'000**
Balance bfwd at 1st April 2026	**264.7**	**54.9**	**555.6**	**875.2**
Douglas Rd		(10.0)		**(10.0)**
Land West of Market St, Edenfield			57.1	**57.1**
Haweswater Aqueduct - Haslingden	102.0			**102.0**
Current Balance	**366.7**	**44.9**	**612.7**	**1,024.3**

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Council Tax & NNDR Collection Rates

Cumulative Collection Rates	Council Tax							Business Rates							
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
April	10.04	10.90	10.44	10.11	10.09	10.10	10.03	12.22	10.24	8.60	12.78	12.79	12.17	9.25	11.32
May	18.96	19.70	19.44	19.48	19.04	19.03	18.88	21.07	18.89	16.20	31.81	21.29	20.42	17.19	19.29
June	27.62	28.70	28.35	28.19	27.89	27.88	27.69	28.68	25.62	24.30	28.16	28.19	28.00	25.44	29.67
July	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	45.24	46.71	46.21	46.01	45.05	45.90		50.82	48.55	47.63	47.86	51.19	49.10	48.57	
September	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	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	72.30	78.43	73.49	72.93	72.93	72.16		74.26	77.15	73.09	74.88	74.92	74.41	73.10	
December	80.90	82.12	82.25	81.50	80.96	80.92		82.70	85.92	81.41	81.91	81.93	82.70	81.41	
January	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	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	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. 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. The level for Q1 remains in line with the average of the previous years.

Council Tax Collection Fund

At the time of this report, the estimated deficit on the Council Tax collection fund is forecast at £351k. This includes a £2,232k provision for doubtful debts. This year RBC's share of the Council Tax is 13.56%, equating to £46k of the forecast deficit.

Council Tax Forecast 2026/27	**Q1 £'000**
Council Tax Collectable (after Discounts & Exemptions)	55,682
less Doubtful Debt Provision	(2,232)
	53,450
less Precepts for 2026/27:	
Lancashire County Council	(38,467)
Police	(6,243)
Fire	(2,022)
Rossendale Borough Council	(6,985)
Whitworth Town Council	(84)
	(53,801)
Surplus / (Deficit)	**(351)**
RBC Share = 13.56%	**(46)**

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Responsible Author	Head of Finance	**Produced**	21/05/2026
Dates covered in this review	2026/27 Monitoring	**Next review**	

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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 2026/27	NNDR1 £000	Q1 £000
Net Liability Due	**16,330**	**16,525**
Use of Appeals Provision	-	-
Less Cost of Collection Allowance	(95)	(95)
Less Doubtful Debt Provision	(852)	(852)
Less Appeals Provision	(136)	(136)
Less Renewables 100% to RBC	(369)	(369)
S31 grants to collection Fund	6,206	5,947
Net NNDR due	**21,083**	**21,020**
Transitional reliefs	195	113
Less Precepts	(21,278)	(21,278)
Cash Surplus/(Deficit)	**-**	**(146)**
RBC Share = C x 40%	-	(58)
Central Government share 50%		(73)
LCC and Fire share 10%		(15)

The Business Rates collection fund is predicting a deficit of £146k for 2026/27. 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 £58k.

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.

From 2026/27, traditional business rates pooling arrangements were effectively brought to an end as a result of the Government's Business Rates Retention System reset and Fair Funding Review. The result is the shifting back towards redistribution through the national funding system rather than authorities collaborating through voluntary pooling arrangements.

RBC General Fund	NNDR1 £000	Q1 £000
Business Rates Income	21,278	21,133
RBC Share = 40%	8,511	8,453
Plus Top Up / (Tariff)	(6,219)	(6,219)
Subtotal	2,292	2,234
RBC Baseline Funding Level used in Budget	2,382	2,382
Growth/(Reduction) for Levy Calculations	**(90)**	**(148)**

The forecast safety net of £0.090m at NNDR1 is now predicted as a safety net of £0.148m due to the forecast in-year deficit.

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Business Rates Summary	NNDR1 £000	Q1 £000
Business Rates Growth/(Reduction) 2026/27	(90)	(148)
Safety net/(levy)	90	148
Renewable Energy	369	369
Overall Gain/(loss)	**369**	**369**
Business Rates Retention Reserve Bfwd	3,113	3,113
Business Rates Cash Surplus/(Deficit) 2026/27	369	369
Less Budgeted Utilisation	-	-
Total Retained Business Rates Resources Cfwd	**3,482**	**3,482**

The table shows the potential impact on the Business Rates Retention Reserve. The renewable energy element of funding is retained 100% by RBC and will be contributing to operational reserves.

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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.

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.

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.