

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No

meeting date: 9 FEBRUARY 2010
title: MEDIUM TERM FINANCIAL STRATEGY
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To approve the Council's Medium Term Financial Strategy 2010/11 to 2012/13.

2 BACKGROUND

2.1 The Council has a Medium Term Financial Strategy (MTFS) that is updated annually.

2.2 The MTFS is the Council's key financial planning document. It aims to provide the Council with an assurance that the Council's spending plans are affordable over the Medium Term (3 years).

2.3 It includes a three year budget forecast and provides the financial foundation for the delivery of the Council's policy priorities.

3 MEDIUM TERM FINANCIAL STRATEGY

3.1 The attached MTFS includes sections covering:

- Policy and Service Context
- Demographic Context
- Financial Context
- National Context and Other External Factors
- Partnership Working and External Funding
- A Three Year projection of Revenue Expenditure
- Capital Programme
- Balances and Reserves
- Risk Assessment and Sensitivity
- Links to Ambitions and Priorities

3.2 The MTFS reflects the proposed Revenue Budget for 2010/11 and the suggested Five Year Capital programme which are covered in separate reports elsewhere on the agenda. It will be amended if either the Revenue Budget or Capital Programme are changed.

3.3 Finally and importantly the MTFS forms an integral part of the Council's financial planning process and should be read in conjunction with the two reports mentioned above.

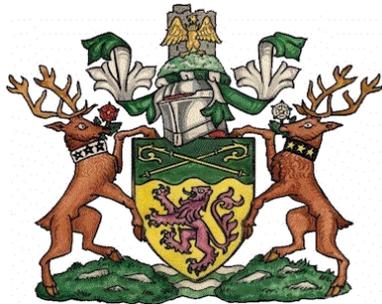
4 RECOMMENDED THAT COMMITTEE

4.1 Approve the Medium Term Financial Strategy for 2010/11 to 2012/13.

FINANCIAL SERVICES MANAGER

PF11-10/LO/AC
2 February 2010

February 2010



Ribble Valley Borough Council

Medium term financial strategy

2010/11 to 2012/13

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1 Introduction

- 1.1 The medium term financial strategy (MTFS) is the Council's key financial planning document. It aims to provide the Council with an assurance that the Council's spending plans are affordable over the medium term (3 years).
- 1.2 The main objectives of the medium term financial strategy are
- to look to the longer term to help plan sustainable services and budgets and help ensure that the Council's financial resources are sufficient to support delivery of Council Plan priorities
 - to provide a single document to communicate the financial context, aims and objectives to staff and stakeholders and support working with partners
- 1.3 The financial strategy includes a three-year budget forecast that is reviewed annually. The medium term financial forecast builds on previous medium term strategies to provide the financial foundation for delivery of the Council's policy priorities and to meet the identified performance and resource issues.
- 1.4 This strategy covers the period 2010/11 to 2012/13 and sets out the resource issues and principles that shape the council budget.

2 Policy and Service Context

- 2.1 The Council's Corporate Performance and Improvement Plan provides the overall direction for the medium term financial strategy and the annual budget.
- 2.2 The Plan explains our past performance and our plans to improve services for the people of the Ribble Valley. It is one of the Council's most important documents setting out both our achievements and those areas identified for focused improvement over future years.
- 2.3 The Council's Vision, which is shared with the Local Strategic Partnership, is that by no later than 2016 we aim to ensure that the Ribble Valley will be:

Our Vision

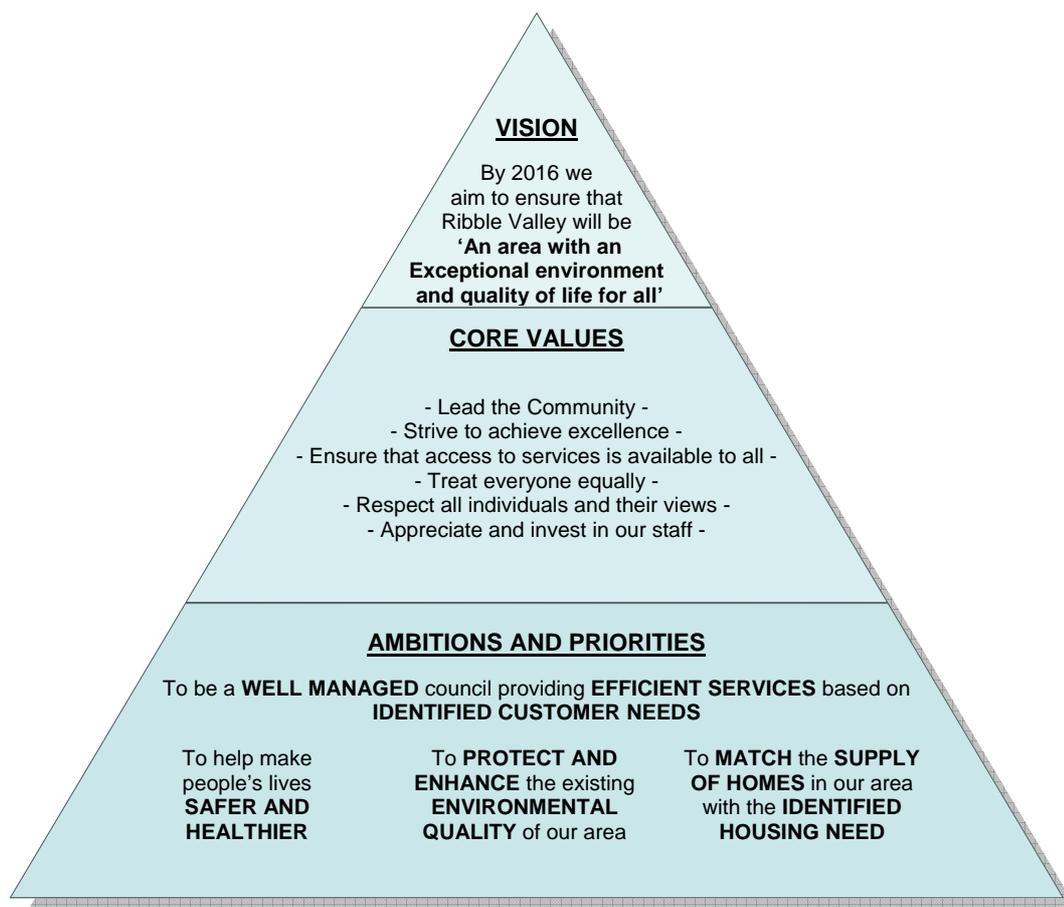
An area with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors.

- 2.4 We believe that this Vision reflects our shared aim for the Borough, which has the highest quality of environment for those who live in and visit the area. It recognises that people must have a high quality of life; that suitable homes are available to meet their diverse needs and that they should be safe and feel safe. People should also be able to access the best services without having to travel long distances to receive them.
- 2.5 Key to the Council's Corporate Performance and Improvement Plan is the Mission Statement of the council. The Council has adopted the following statement that sets out its role and responsibilities in relation to the communities it exists to serve:

Mission Statement

The Council will provide high quality, affordable and responsive public services that develop the social and economic well being of the Borough whilst safeguarding the rural nature of the area

- 2.6 The role of the Council's financial planning process is to support the achievement of the Council's strategic goals, Corporate Performance and Improvement Plan and Community Strategy.
- 2.7 In order to deliver its Vision and provide a focus for how it delivers services, the Council has agreed a set of overriding ambitions and priorities.
- 2.8 Above all **'We aim to be a well-managed Council providing efficient services based on identified customer needs'** overarches all of our Ambitions, whilst recognising the importance of securing a diverse, sustainable economic base for the Borough. The ambitions are driven by local needs with consideration to national priorities.



3 Demographic Context

- 3.1 According to the 2001 census, the population of the district is 53,960 (although it is now estimated at 58,500¹), living in 24,693 households, of which approximately 25% are in the town of Clitheroe.

¹ ONS – 2008 mid year projection

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- 3.2 Ribble Valley has the largest geographical area within Lancashire, covering 226 square miles (583 square kilometres), but the smallest population. Sparsity of population is, therefore, a key feature – on average 94 people per square kilometre, compared with 380 nationally.
 - 3.3 There has been an increase in population of 5.2 per cent since 1991, and it is predicted to rise by over 10 per cent in the next ten years. The black and minority ethnic (BME) population is small, less than 2 per cent, and is mainly concentrated in Clitheroe. The resident population is old (25.64 per cent over 60/65 compared with 22.01 per cent for England), and population projections suggest that this imbalance will continue to increase. The general health of the population is good; of 32 indicators used to measure health, 19 are better and 5 worse than the national average².
 - 3.4 Ribble Valley is a relatively affluent area and is ranked 283 out of 354 in the indices of deprivation for local authority areas in England (with one being the most disadvantaged). No wards figure in the 25% most deprived, but 5 wards do figure within the worst 10% of all English wards under the Access to Services Index.
 - 3.5 Unemployment is well below the national and regional averages and the lowest in the Northwest (at 4.1% compared with the national average of 6.9%). Earnings are above the national average. However, this masks the structural threat to the area's employment opportunities: the type of jobs available (low skill jobs in declining sectors) and their relatively low pay³.
 - 3.6 Given the rural nature of the area, it is not surprising that agriculture and tourism are important employers. However, recent years have seen major restructuring, within the agricultural/land-based sector in particular. The tourism sector accounts for over 10% of employment, and it is estimated that the total spent by tourists in Ribble Valley each year is in excess of £19.5 million. Additionally there are estimated to be around 2,700 jobs in tourism-related businesses³.
 - 3.7 One of the largest employment sectors in Ribble Valley is manufacturing, which accounts for 26.2% of employment within the borough, and is represented by major national and multi-national companies such as Castle Cement, Johnson Matthey, and BAe Systems. The relatively small number of large employers is complemented by an above average presence of small companies employing 1-4 employees³.
 - 3.8 A survey undertaken in 2001 showed that Ribble Valley has the second most skilled population in the country after the City of London. However, the survey masks the fact that many of these well-qualified people in high-earning, senior positions commute daily out of the borough, and live in the area because of the high quality environment and the quality of life it offers. This has had the effect of forcing up the price of houses within the borough, putting them well out of the reach of young people/first time buyers. The mean house price in Ribble Valley for the third quarter of 2009 is £205,087, with a lower quartile house price of £120,750 in the same period⁴.
 - 3.9 In terms of housing tenure, 81.2% of dwellings are owner occupied, 11.2 % are privately rented and 7.6% are public sector rented. There are currently approximately 365 long-term vacant private dwellings, a figure that we are taking action to reduce.
 - 3.10 Up until 31 March 2008 the Council owned its own housing stock, comprising 1,174 properties, although this had been significantly depleted over recent years, with high numbers of 'right to buys'. The Council transferred its housing stock to a Registered Social Landlord with effect from April 2008.

² APHO and Department of Health – 2009 Health Profiles

³ NOMIS Labour Market Statistics – June 2009

⁴ Land Registry

4 **Financial Context**

- 4.1 The Council received formal Consent from the Secretary of State to close its Housing Revenue Account with effect from 31 March 2009. As a result of this approval Housing Revenue Balances of £1.01m were transferred to the General Fund at 31 March 2009.
- 4.2 Following this transfer, the council's reserves and balances at the 31 March 2009 were:
- Earmarked Reserves of £1.26m
 - General Fund Balances of £2.02m
- 4.3 The level of reserves and balances has been reviewed and found to be more than adequate to meet the Council's projected revenue and capital expenditure.
- 4.4 However, the Council recognised in 2006 that the level of General Fund balances had become excessive and agreed the objective of reducing these funds to a more manageable level of £0.7m by 2012. The transfer of the council's housing stock to Ribble Valley Homes prompted a review of balances last year and the target is now to reduce the combined General Fund balances to £1m over the next five years.
- 4.5 The council will continue to use General Fund balances prudently to subsidise the revenue budget over the medium term until the minimum level is reached. This continues to form an integral part of this strategy.
- 4.6 For 2009/10 the Council's original net revenue budget requirement was approximately £7.05m (net of fees and charges, interest and movements in balances) and the capital programme was £0.77m. Together they provide the resources to meet the service delivery plans of the Council.
- 4.7 A substantial level of income other than council tax or government grant income supports the council's gross expenditure. As a consequence the budget position is very sensitive to changing investment returns and fees and charges.
- 4.8 As part of the Performance Management Framework of the Council all sections are required to produce service plans. These plans provide the mechanism by which the Corporate Ambitions and Objectives of the Council are translated into key tasks for front line services. They are part of a hierarchy of plans and an integral part of the Council's planning process.
- 4.9 Each service plan covers the following areas:
- **Introduction**
 - Key objectives
 - Key policies and strategies
 - Working in partnership
 - Providing service excellence in response to our diverse communities
 - Statement of equal opportunities
 - Health and safety
 - **Service structure and core services provided**
 - **Resources: Finance**
 - **Resources: Staff**
 - **Risks**
 - **SWOT Analysis**
 - **Key service issues over the next 3 years**
 - **Achievements**
 - **Performance indicators and targets**
 - **Commitment to service excellence – listening to our customers**

- **Benchmarking, other performance management models and comparison methods**
- **Findings of recent inspections**
- **Innovative ideas for improvements or changes to service delivery**
- **What actions will we take to improve our service**
- Financial Information
 - Ideas for Efficiencies and Savings
 - Potential Cost Pressures
 - Opportunities and Requests for Additional Resources
 - Maximising Income

5 National Context and Other External Factors

- 5.1 The Minister for Local Government confirmed his proposals for the Local Government Finance Settlement on 24 January 2008 covering the years 2008/09, 2009/10 and 2010/11. The three-year settlement has allowed council's to plan ahead a little better.
- 5.2 The table below shows the actual and confirmed settlements and indicates the level of increase year by year. Ribble Valley remains in a position above the 'floor', which is a guaranteed minimum increase in grant.

Local Government Finance Settlement – Formula Grant

Financial Year	£000	Percentage Increase
2007/08 – Adjusted	3,744	-
2008/09 – Actual	3,859	3.07%
2009/10 – Actual	3,997	3.58%
2010/11 – Confirmed	4,142	3.63%

- 5.3 The council's medium term financial strategy is set within the context of national economy, public expenditure plans and national legislation.
- 5.4 The uncertainty surrounding the current economic downturn has impacted on the council's resources, not least in the form of reduced returns on short-term investments. Additionally the council has seen reduced income levels from the fees and charges that the council sets, with the downturn mostly affecting income streams such as building regulations, planning fees and land charges.
- 5.5 As the uncertainty of the economic climate continues it is likely that such reduced income streams will impact on the council in the coming years with the speed at which the recession retreats becoming an important factor.
- 5.6 The medium term financial strategy will therefore need to remain flexible to respond to any opportunities or threats that this external environment will present.
- 5.7 All known financial implications that are likely to arise from published strategies and plans across the council and other plans agreed with partners and other stakeholders have been considered in preparing this strategy.

5.8 This strategy contains the most up to date information at the time of drafting but the Council's financial position is dynamic. The Council faces a number of financial uncertainties that could affect the Council's financial position over the medium term, including:

- Central government policies
- Changes in interest rates
- Impact of market forces on costs
- Financial implications of technology
- Community expectations, potentially leading to demand for new or improved services

6 Partnership Working and External Funding

6.1 The council is focused on working with partners in order to benefit the local communities and investigates opportunities for joint working with a wide range of partners.

6.2 The Council is a partner in the Lancashire Local Area Agreement (LAA), which is a process of agreeing community priorities for the county area based on district level community strategies and local priorities. Government reward funding will be allocated to the LAA following achievement of the agreed performance targets. The Council has also recently agreed a Multi Area Agreement (MAA) with other local authorities in Pennine Lancashire and the County Council to deliver holistic regeneration throughout the whole of Pennine Lancashire focussing on health, worklessness, education and infrastructure.

6.3 Specific partner funding or grant income is generally not assumed unless its allocation has been confirmed.

6.4 Key areas of partnership working within the borough at the time of producing this medium term financial strategy are noted below. However, the council remains keen to further the potential of working with other partners.

- Lancashire Local Area Agreement
- Ribble Valley Strategic Partnership
- Team Lancashire
- Community Safety Partnership
- Shared Services Contact Centre Partnership
- Regenerate Pennine Lancashire Ltd

7 Initial Three Year Projections of Revenue Expenditure

7.1 The key aim of the MTF5 is to develop a series of financial projections to determine the achievability and sustainability of the Council's planned service delivery over the next 3 years.

7.2 The Council has made a forecast of a three-year revenue budget based upon known commitments, inflationary pressures and including any significant expenditure/income items that are likely to arise. This forecast also includes estimates of resources from government grants and shows an indicative level of council tax.

7.3 The forecast assumes balances will reduce close to the target amount of £1m by 2013 and that council tax increases will be 0% for 2010/11 and 2.5% per annum thereafter.

7.4 As can be seen below, the increase in Council Tax by 2.5% in future years would result in the need for efficiencies/savings to be found in order to bring the budget in line with the financial strategy for that budget year. The amount required to keep within the targeted guideline is shown as Savings Required in the table below.

	2009/10 Latest Forecast £000	2010/11 Forecast £000	2011/12 Forecast £000	2012/13 Forecast £000
Net Expenditure	7,630	7,431	7,726	7,957
Interest Receipts	-15	-15	-75	-100
Reserves	-149	-99	-30	-30
Use of Balances	-412	-118	-200	-200
Savings Required	0	0	-550	-669
Budget Requirement	7,054	7,199	6,871	6,958
Formula Grant	-3,996	-4,141	-3,727	-3,727
Collection Fund Deficit	9	11	10	10
Precept	3,067	3,069	3,154	3,241
Taxbase	22,342	22,357	22,413	22,469
Band D Council Tax	£137.26	£137.26	£140.69	£144.21
Projected Council Tax increase		0%	2.5%	2.5%

7.5 A number of assumptions have been made in the above forecast:

- Use of balances of approximately £200,000 p.a.
- Continued use of the Building Control Reserve.
- A gradual increase in interest receipts to £100,000 over the 3 year period.
- No new growth items that cannot be funded from efficiency savings.
- A council tax deficit has been allowed for, based on current experience.
- Inflation has been allowed for at 1.5% for 2010/11, 2% for 2011/12 and 3% for 2012/13.
- No allowance has been made for the possible transfer of Concessionary Travel to the upper tier.
- Whilst the third year of the 3 year formula grant settlement has been confirmed, a 10% reduction in formula grant has been allowed for in 2011/12 followed by a freeze in 2012/13.
- Increase in the council taxbase each year kept to a minimum.

7.6 The main reasons for the increases in net expenditure between years is explained as follows:

	2010/11 to 2011/12 £	2011/12 to 2012/13 £
Inflation and increased cost of services	295	231
Increased Interest Receipts	-60	-25
Reduced Use of Reserves	69	0
Use of Balances	-82	0
Increased Savings Required	-550	-119
Total Change in Net Expenditure	- 328	87

8 General Fund Balance and Earmarked Reserves

- 8.1 The impact of the above on council general fund balances is shown below. The minimum recommended level of balances is £700,000 (£500,000 + 2.5% of net expenditure).

	Current Year £000	2010/11 £000	2011/12 £000	2012/13 £000
Brought Forward	2,022	1,610	1,492	1,292
To Fund Expenditure	-412	-118	-200	-200
Carried Forward	1,610	1,492	1,292	1,092

- 8.2 As with any plan spanning a number of years it is only prudent to consider the associated risks. Although the Government has provided a little more certainty on resources in the medium term via the three-year settlement, the council, in common with most local authorities, this council continues to be at risk from financial pressures.
- 8.3 The Council have a number of earmarked reserves that have been set up voluntarily in order to provide for future spending plans. The table below shows the expected movement in these reserves over the life of this medium term financial strategy. Annex 2 provides details of the purpose of these reserves.

Reserve	Estimate 31 March 2010	Estimate 31 March 2011	Estimate 31 March 2012	Estimate 31 March 2013
Local Recreation Grants Fund	20,384	20,384	20,384	20,384
Elections Fund	72,507	76,797	19,000	38,000
Audit Reserve Fund	12,335	12,335	12,335	12,335
Building Control Fund	17,897	-69,953	-19,953	5,047
Rural Development Reserve	1,631	1,631	1,631	1,631
Single Status	53,880	53,880	53,880	0
Capital Funds	432,733	0	0	0
Insurance Reserve	20,000	20,000	20,000	20,000
Christmas Lights/RV in Bloom	1,710	0	0	0
Risk Management	0	0	0	0
Community Enhancement	2,879	2,879	2,879	2,879
Rent Deposit Reserve	7,837	7,837	7,837	7,837
RCCO Unapplied (General Fund)	23,134	23,134	0	0
Community Grant Schemes	8,538	8,538	8,538	0
Local Development Framework	11,583	11,583	11,583	11,583
LALPAC Licensing System	1,866	1,866	1,866	1,866
Castle Museum	7,391	7,391	7,391	0
Homelessness Adaptations	3,000	3,000	3,000	0
Concurrent Functions Grants	14,140	0	0	0
TOTALS	713,445	181,302	150,371	121,562

9 Capital Programme 2010/11 – 2014/15

- 9.1 The Council's Capital Strategy sets out in more detail how the Council plans and controls its capital investment plans. However, the Capital Programme is an important element of the Medium Term Financial Strategy and as such the main elements are shown below.
- 9.2 The Council's funding policy has been to set programmes which address its key priorities and to fund these by utilising prudential borrowing, capital receipts (both in hand and anticipated in year) and capital reserves built up over a number of years in a corporate approach, thus providing the maximum investment position.
- 9.3 A key issue for capital has been the removal of the need to seek Government approval to borrow and the introduction of a new control regime in the form of the Prudential Code for Capital Finance from 1 April 2004.
- 9.4 The Council has always sought to maximise funding for capital, including any from revenue sources, within a prudential framework. Therefore, the changes have not affected the Council's approach to prudence, affordability and sustainability.
- 9.5 However, it should be made clear that notwithstanding the removal of the requirement to seek borrowing approval, the Government only offers revenue support for a specified element of the Council's prudential borrowing limit (determined under the single capital pot arrangements). No 'supported' borrowing allocation has been given for General Fund (OSB) non housing schemes and this is not expected to change in the period of this medium term financial strategy. This means that the additional financing costs of these schemes, unless funded from reductions elsewhere in the budget, will fall to be met in full from Council Tax.
- 9.6 The Council agreed to undertake substantial Prudential Borrowing in 2007/08 and 2008/09 to support the investment in 3 stream waste collection. The ability to Prudentially borrow gave the Council the option to build on the opportunity afforded by the award of a significant DEFRA capital grant to provide a new recycling facility.
- 9.7 The Council's proposed five-year capital programme at the time of producing this medium term financial strategy is reproduced at Annex 1. The table below shows a summary of the proposed five-year capital programme. The council's policy is to maintain a £300,000 balance of resources and furthermore, the current programme shows a shortfall of resources for the period 2011/14. As such the Council must identify further funding prior to commencing any schemes.

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	Total £
Schemes to go ahead in 2010/11	1,078,150	0	0	0	0	1,078,150
Proposed Schemes	0	789,900	644,300	587,700	479,000	2,500,900
Total of Schemes	1,078,150	789,900	644,300	587,700	479,000	3,579,050
Estimated Resources	1,496,850	580,750	576,000	573,900	570,000	3,797,500
Balance of Resources	418,700	-209,150	-68,300	-13,800	91,000	218,450

10 Risk Assessment and Sensitivity

- 10.1 There are a number of risks with the medium term financial strategy as fluctuations in some of the underlying assumptions can produce significant changes to the forecast.
- 10.2 The table below shows some of the areas of sensitivity and the potential impact on the strategy, based on the original estimate for 2009/10.

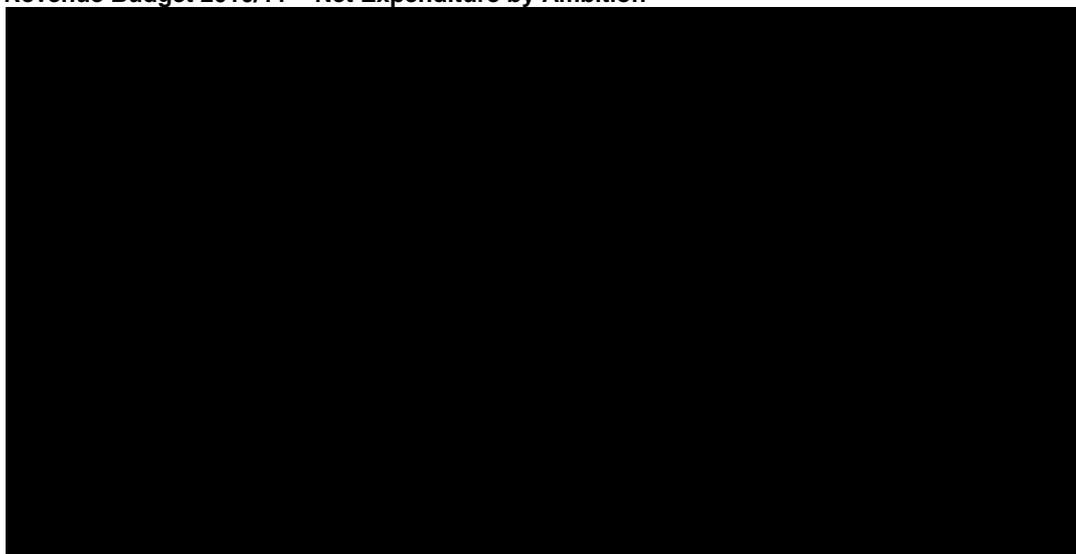
Area of Sensitivity	Percentage Fluctuation	Annual Impact on Budget
Pay Award	0.25%	£15,000
Energy Costs	5.00%	£6,500
Interest Rates	0.25%	£7,700
Fees and Charges	1.00%	£27,500
Government Grants	1.00%	£75,500
Other Grants and Contributions	1.00%	£3,000

- 10.3 In terms of impact on the council tax, each budget adjustment of £100,000 has the effect of changing council tax at Band D equivalent by £4.48 or 3.26%.
- 10.4 On the other hand, for every 1% increase in the level of 2009/10 council tax charge, an additional £30,670 council tax revenue is raised and therefore, for every 1% decrease in the level of council tax revenue £30,670 savings would need to be identified or alternative funding such as use of balances would need to be found.
- 10.5 In terms of Formula Grant that is received, for 2009/10 this supported over 56% of the Council's budget requirement and so any variation has a major impact. A variation of 1% in this funding would amount to £39,970.

11 Links to Ambitions and Priorities

- 11.1 All budgets are linked to the Council's ambitions and priorities and these links were identified throughout the budget setting process. The table below shows our planned revenue spend for 2010/11 broken down over the Council ambitions and priorities.

Revenue Budget 2010/11 – Net Expenditure by Ambition



11.2 As with revenue budgets, all proposed capital schemes were linked to the Council ambitions and priorities. The evaluation process also required service managers to submit detailed bid forms for new capital schemes, asking service managers to details such information as:

- Link to ambitions and priorities
- Any statutory or legal obligations
- Performance management
- Efficiency and Value for Money
- Consultation
- Start Date and Milestones
- Useful Economic Life
- Environmental Impact
- Capital and Revenue Implications
- Whole Life Cost
- Risk Assessment
- Consequences of Delay or Deletion

11.3 The table below shows our planned revenue spend for 2010/11 broken down over the Council ambitions and priorities.

Capital Programme 2010/11 – Expenditure by Ambition



ANNEX 1: Capital Programme 2010/11 – 2014/15

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	Total £
COMMUNITY SERVICES COMMITTEE						
<u>Outdoor Recreation</u>						
Castle Grounds – Green Flag Award Scheme: Phase 2 <i>Additional Revenue Costs of £6,000 per annum identified</i>	80,000					80,000
Football Pitch Drainage and Improvement Works <i>Increased revenue income of £250 per annum identified</i>		17,500				17,500
Repairs to Riverside Path at Brungerley Park – Second Year	25,000					25,000
Improvements to Common Land at Salesbury and Copster Green			30,000			30,000
Resurface Access Road to Edisford Riverbank and Caravan Site	25,000					25,000
Artificial Pitch Surface Replacement – Edisford			85,000			85,000
Improvements to children's play areas	55,000	55,000	55,000	55,000	55,000	275,000
<u>Depots</u>						
Replace Perimeter Fence at Salthill Depot	10,000					10,000
Replace Fuel Storage Tank at Salthill Depot			10,000			10,000
<u>Ribblesdale Pool</u>						
Main Pool Filter Replacement and Plant Room Maintenance	20,000					20,000
Small Pool Filter Refurbishment					10,000	10,000
Installation of Ultra Violet Equipment to Main Pool	10,000					10,000
<u>Longridge Gym</u>						
Replacement Fitness Equipment			30,000			30,000

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	Total £
<u>Public Conveniences</u>						
Refurbishment of Clitheroe Market Toilets		43,750				43,750
Refurbishment of Dunsop Bridge Toilets	136,500					136,500
Refurbishment of Castle Field Toilets			43,400			43,400
<u>Outdoor Recreation Vehicles and Plant</u>						
Replace John Deere Lawn Tractor PN04 NPZ			16,500			16,500
Replace Kubota Tractor PN04 UHT			16,500			16,500
Replacement of Ford Transit Drop Side Truck V728 DBV	25,000					25,000
Replace Kubota Mower PN05 PLO		16,500				16,500
Replace John Deere 4WD tractor Mower PN05 BYS		12,500				12,500
Replace Hayter Mower PN06 SJX			25,000			25,000
Replace John Deere Mini Tractor PN06 TSZ			9,000			9,000
Replace Vauxhall Vivaro Panel Van PK06 VWY		13,000				13,000
Replace Man ERF Tipper truck PN06 FRV				38,000		38,000
Replace renault Mascott Hook Loader PN07 VWG				37,000		37,000
Replace Hayter Triple Mower PN07 MVG				28,000		28,000
Replace John Deere Cylinder Mower PN07 OWU				17,000		17,000
Replace Ford Ranger PK07 LSY				15,500		15,500
Replace Ford Ranger PK07 TZG				15,500		15,500
Replace Gang Mower TDR 16000		20,000				20,000
Replace 4 Scag Mowers (3 walk behind mowers & 1 banking mower)	26,000					26,000

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	Total £
Replace 2 Dennis Mowers			11,500			11,500
Replace 4 John Deere Pedestrian Mowers C52 VK	4,000					4,000
Replace Hayter Condor Verge Cutter Unit			5,500			5,500
Replace 2500kg Goods Trailer and Mini Tipper Trailer		3,700				3,700
Replace Marston Trailer			1,700			1,700
Replace 2 Heavy Goods Trailers				4,400		4,400
Replace Wood Chipper		18,500				18,500
<u>General Works</u>						
Replace Vauxhall Vivaro Panel Van PK06 HKA			15,400			15,400
Replace Sewer Jetting Machine			25,000			25,000
Replace Iveco Tipper PO54 COJ	30,900					30,900
Replace Ingersoll Rand Compressor				7,500		7,500
Replace JCB – V955 EVM	25,700					25,700
Replace PE54 YXF	15,400					15,400
Replace Iveco Tipper PO54 COA		30,900				30,900
Replace Iveco Tipper PO54 COH	30,900					30,900
<u>Car Parking</u>						
Replace Vauxhall Corsa Collection Vehicle YG57 RDV	10,000					10,000
Replace Renault Kangoo Collection Vehicle BV08 FUH		12,000				12,000
Car Parks Rolling Programme	45,000	45,000	45,000	45,000	45,000	225,000
<u>CCTV</u>						

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	Total £
Replace CCTV Cameras				50,000		50,000
<u>Refuse Collection</u>						
Replace Refuse Collection Vehicle PN05 PWL				100,000		100,000
Replace Refuse Collection Vehicle VX04 FXV		200,000				200,000
Replace Refuse Collection Vehicle VX53 TZJ			200,000			200,000
Replace Refuse Collection Vehicle VO52 FRJ	200,000					200,000
Replace Refuse Collection Vehicle VO52 FRK	200,000					200,000
Provision of New and Replacement Wheeled Bins	20,000	20,000	25,000	30,000	35,000	130,000
Purchase of Vehicle Lifting Equipment	8,000					8,000
Replace Floors in Ribble Valley Waste Transfer Station			75,000			75,000
TOTAL COMMUNITY SERVICES COMMITTEE	1,002,400	508,350	724,500	442,900	145,000	2,823,150

HEALTH AND HOUSING COMMITTEE

<u>Clitheroe Cemetery</u>						
Purchase of additional land at Clitheroe Cemetery <i>Potential Revenue Implications - but not quantified</i>	86,000					86,000
Installation of Infrastructure at Clitheroe Cemetery <i>Potential Revenue Implications - but not quantified</i>		90,000				90,000
<u>Clitheroe Market</u>						
Stall Remodelling Scheme Clitheroe Market	8,000					8,000
Replacement of Roller Shutter Doors at the Market Site	10,000	10,000	10,000	10,000	10,000	50,000
<u>Dog Warden and Pest Control</u>						
Replacement of Vehicle PE56 EFB			10,000			10,000

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	Total £
Replacement of Vehicle PE07 WPD			10,000			10,000
<u>Environmental Health</u>						
Obligatory PM10 Air Quality Monitoring -Clitheroe	7,500					7,500
<u>Housing</u>						
Landlord/Tenant Grants	100,000	100,000	100,000	100,000	100,000	500,000
Equity Release	30,000	30,000	30,000	30,000	30,000	150,000
Disabled Facilities Grants	203,000	203,000	203,000	203,000	203,000	1,015,000
Renewable Energy Source Grants	5,000	5,000	5,000	5,000	5,000	25,000
TOTAL HEALTH AND HOUSING COMMITTEE	449,500	438,000	368,000	348,000	348,000	1,951,500

PLANNING AND DEVELOPMENT COMMITTEE

<u>Economic Development</u>						
Barrow Brook Business Park	300,000					300,000
Actions for Towns Programme	10,000	10,000	10,000	10,000	10,000	50,000
TOTAL PLANNING AND DEVELOPMENT COMMITTEE	310,000	10,000	10,000	10,000	10,000	350,000

POLICY AND FINANCE COMMITTEE

<u>Central Services</u>						
Replacement Risograph	4,000					4,000
<u>Council Chamber</u>						
Replacement furniture in Council Chamber	30,000					30,000
<u>Estates</u>						
External Repairs – Longridge Youth Centre				22,750		22,750

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	Total £
Legionella Abatement Works	10,000	10,000	10,000	10,000	10,000	50,000
Asbestos Abatement Works	10,000	10,000	10,000	10,000	10,000	50,000
<u>ICT Services</u>						
Contact Customer relationship management (CRM) Replacement <i>Net revenue SAVING identified of £50,500 per annum</i>		20,000				20,000
Computer Server & Bulk Printer Replacement. <u>FINAL YEAR</u> of a 3 year programme	10,000					10,000
TOTAL POLICY AND FINANCE COMMITTEE	64,000	40,000	20,000	42,750	20,000	186,750
TOTAL OF ALL PROPOSED SCHEMES	1,825,900	996,350	1,122,500	843,650	523,000	5,311,400

ANNEX 2: Purpose of Earmarked Reserves

Reserve	Purpose
Local Recreation Grants Fund	<i>Used to fund recreation grants</i>
Elections Fund	<i>Used to fund the borough elections held once every four years</i>
Audit Reserve Fund	<i>Used for computer audit</i>
Building Control Fund	<i>Available to equalise net expenditure over a three year period</i>
Rural Development Reserve	<i>Used to fund consultation work on rural housing</i>
Single Status	<i>Set aside to contribute towards future costs arising from single status/job evaluation</i>
Capital Funds	<i>Used to fund capital programme</i>
Insurance Reserve	<i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>
Christmas Lights/RV in Bloom	<i>Available to fund contributions towards Christmas lights and Ribble Valley in Bloom</i>
Risk Management	<i>Set up to pump prime risk management issues</i>
Community Enhancement Schemes	<i>Used to fund grants to local organisations</i>
Rent Deposit Reserve	<i>Creation of private tenants rent deficit scheme</i>
RCCO Unapplied (General Fund)	<i>Used to fund capital expenditure</i>
Community Grant Schemes	<i>Used to fund grants to community schemes</i>
Local Development Framework	<i>To finance Local Development Framework costs</i>
LALPAC Licensing System	<i>To fund costs of LALPAC licensing system</i>
Castle Museum	<i>To fund the costs associated with the initial setup of the Clitheroe Castle Museum</i>
Homelessness Adaptations	<i>To fund work to make two flats at the homelessness unit self contained</i>
Concurrent Function Grants	<i>Used to fund concurrent function grants to parishes</i>

ANNEX 3: Risk Assessment

Risk	Level	Mitigation
Savings that have been identified by service managers are not achieved	Medium	Regular monitoring of budgets and meetings with service managers where savings have been identified in order to enable early corrective action if required
Areas where growth has been identified within the budget does not occur, or costs are higher than anticipated	Medium	Regular monitoring of budgets and meetings with service managers where savings have been identified in order to enable early corrective action if required
Interest rates on investments fluctuate to a greater extent than anticipated	High	This risk is managed through the Treasury Management Strategy. Additionally daily meetings are held with the Director of Resources and the Financial Services Manager prior to any investments.
A financial institution that has been invested in is unable to repay the principle sum to the Council	High	This risk is managed through the Treasury Management Strategy. Additionally daily meetings are held with the Director of Resources and the Financial Services Manager prior to any investments.
Future formula grant settlement for 2011/12 and onwards sees a substantial reduction	High	Further service savings would need to be identified or there would need to be an increased use of balances. The MTFs allows for a 10% reduction in 2011/12 and a freeze thereafter
Expenditure is not contained within the approved budgets	Low	The council has a well developed budget monitoring process which enables early identification of variances and allows corrective action to be taken