

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No

meeting date: 7 FEBRUARY 2012
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 2012/13 to 2014/15.

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 2012/13 and the suggested Forward 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.

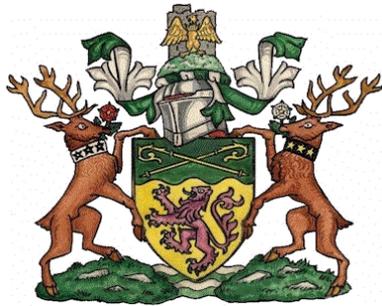
4 RECOMMENDED THAT COMMITTEE

4.1 Approve the Medium Term Financial Strategy for 2012/13 to 2014/15.

HEAD OF FINANCIAL SERVICES

PF13-12/LO/AC
30 January 2012

February 2012



Ribble Valley Borough Council

Medium term financial strategy

2012/13 to 2014/15

Key Officer Contacts for the Medium Term Financial Strategy

Name	Job Title	Telephone Number	Email address
Jane Pearson	Director of Resources	01200 414430	jane.pearson@ribblevalley.gov.uk
Lawson Oddie	Head of Financial Services	01200 414541	lawson.oddie@ribblevalley.gov.uk

Table of contents

Section	Page
Introduction	4
Policy and Service Context	4
Demographic Context	5
Financial Context	9
National Context and Other External Factors	10
Partnership Working and External Funding	12
Initial Three Year Projections of Revenue Expenditure	14
General Fund Balance and Earmarked Reserves	17
Capital Programme 2012/13 to 2014/15	20
Risk Assessment and Sensitivity	21
Links to Ambitions and Priorities	22
ANNEX 1: Budget Forecasts Using Alternative Inflation and Government Grant Assumptions	24
ANNEX 2: Future Capital Programme 2012/13 – 2014/15	27

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 2012/13 to 2014/15 and sets out the resource issues and principles that shape the council budget.

2 Policy and Service Context

- 2.1 The Council's Corporate Strategy provides the overall direction for the medium term financial strategy and the annual budget.
- 2.2 The Corporate Strategy sets out the strategic direction of the Council, providing a focus to ensure that the services the council delivers meet the needs of its communities. It is one of the Council's most important documents setting out those areas identified for focused improvement over future years.
- 2.3 The Council's Vision, which is shared with the Local Strategic Partnership, continues to be that we aim to ensure that Ribble Valley will be:

Our Vision

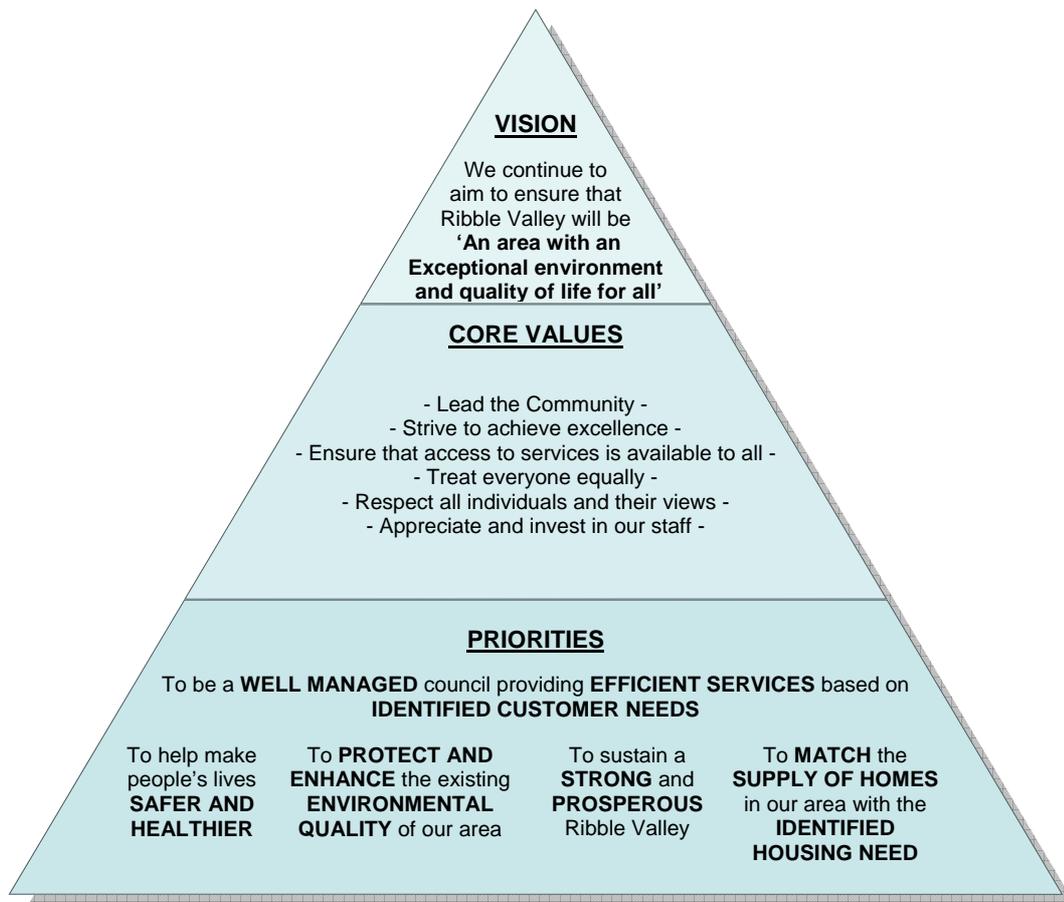
An area with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors.

- 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 Strategy 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 Strategy 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 five corporate priorities. The Council's priorities are deliberately limited to focus attention over the life of the Corporate Strategy. Each priority has a number of objectives, underlying actions, and key measures of success, which should allow progress towards the achievement of the priority to be monitored. They are expanded upon in the supporting Corporate Action Plan.
- 2.8 Above all **'We aim to be a well-managed Council providing efficient services based on identified customer needs'** overarches all of our priorities, whilst recognising the importance of securing a diverse, sustainable economic base for the Borough. The priorities are driven by local needs with consideration to national priorities.



3 **Demographic Context**

Locality

- 3.1 Ribble Valley is in the County of Lancashire bordering neighbouring councils in Pennine Lancashire, Craven District Council in North Yorkshire, South Ribble, Preston, Wyre and Lancaster Borough Councils. The administrative centre for the district is the historic market town of Clitheroe. The industrial and commercial centre for the west of the borough is the town of Longridge.
- 3.2 The remaining area is mainly rural, ranging from large villages to small hamlets. Some settlements are accessible along the A59 corridor; others are more remote from services and public transport. Along with ancient woodland, biological heritage sites, conservation areas and sites of special scientific interest, two thirds of Ribble Valley is part of the Forest of Bowland Area of Outstanding Natural Beauty (AONB).

Local Economy

- 3.3 Unemployment is below the national and regional averages and the lowest in the North West (at 3.6% compared with the national average of 7.7%)¹. Earnings are above the national average.
- 3.4 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 2,500 jobs in tourism-related businesses.
- 3.5 One of the largest employment sectors in Ribble Valley is manufacturing, which accounts for 23.4% 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 employees.
- 3.6 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 and first time buyers. The mean house price sale in Ribble Valley as at July-September 2011 was £227,750, with an average terrace house price sale of £147,103.² The annual change in house price rose by 3.1%.

Resident Population and Projections

- 3.7 According to the latest ONS mid-year estimates (June 2011), the total resident population of the Borough reached 58,000³ during 2010. Life expectancy within the Ribble Valley is currently 79.2 for males and 82.8 for females⁴. According to ONS projections, the resident population of the Borough is predicted to increase by an additional 2,800 people over the next 10 years to reach a total of 61,600 Borough residents by 2022.⁵ Migration accounts for all of the population growth as projections show fewer births than deaths in the Borough.
- 3.8 In 4 wards there has been an increase in population of more than 15% since 2001 – Whalley (41.85%), Billington and Old Langho (31.62%), Aighton, Bailey and Chaigley (18.6%) and Gisburn and Rimington (15.26%). Two wards have seen a population decrease over the same period – Edisford and Low Moor (-1.21%) and Langho (-0.78%).⁶
- 3.9 Population density across the Borough as a whole averages 99 persons per square kilometre. This is far lower than the overall England average of 401 persons per square kilometre and the North West average of 492 persons per square kilometre.⁷

¹ ONS - Nomis Official Labour Market Statistics (June 2011)

² Land Registry Data

³ Office for National Statistics 2010 mid-year projection

⁴ Ribble Valley 2011 Health Profile produced by the English Public Health Observatories

⁵ Office for National Statistics 2008-based Subnational Population Projections

⁶ Comparison of 2001 Census and 2007 mid year projected population – ward quinary (experimental stats)

⁷ Office for National Statistics 2010 mid-year projection

- 3.10 From the 2001 Census 98.4% of the borough is recorded as White. The mid 2007 projected figure puts this at 95.37%. There has been a small population increase in all other ethnic groups since 2001.⁸ There are no geographical areas of the borough where there is a significant community of non-white ethnic groups.

Ethnic Group	Mid 2007 population projection	Mid 2007 percentage projection	Census 2001
All People	58,300	100%	100%
White	55,600	95.4%	98.4%
Mixed Race	400	0.7%	0.4%
Asian or Asian British	1,600	2.8%	0.8%
Black or Black British	200	0.4%	0.1%
Chinese or other ethnic group	400	0.7%	0.3%

- 3.11 Between 2002/03 to 2005/06 the highest numbers of people registering for National Insurance in Lancashire were from Poland (around 3,500), India (almost 2,000) and Pakistan (1,800).⁹

Age Structure (Older Persons)

- 3.12 Within Ribble Valley 23.6% of the population (13,700) has reached retirement age.¹⁰ The retired population has increased by 2,800 people since the Census in 2001.¹¹ There are now significantly more retired people living in the borough compared with the number of children (10,600 aged 0-15 years)¹². The 2010 mid year population estimate shows that there are 1,400 people aged over 85 living in the borough, which is a 40% increase since 2004.
- 3.13 The highest proportion of people at retirement age can be seen in Mellor (45.93%), with 4 other wards having over 40% of the population at retirement age – Clayton-le-Dale with Ramsgreave (45.82%), Waddington and West Bradford (45.48%), Littlemoor (44.17%), and Langho (41.56%).¹³

Age Structure (Young Persons)

- 3.14 There are 10,600 children (aged 0-15) living in the borough. This is 400 fewer than 6 years ago¹⁴. Within this age group the number of pre-school children (aged 0-4) fell by 3.57% between 2004 and 2009 and currently stands at 2,800. The number of primary school children (aged 5-9) fell by 2.9% over the same period and currently stands at 3,200 and the number of high school children (aged 10-15) also declined and now stands at 4,600.¹⁵
- 3.15 Within the borough several wards have seen large declines in the number of children (aged 0-15) – Dilworth (-18.82%), Gisburn and Rimington (-12.68%) and Salthill (-12.45%). However, some wards have seen substantial increases – Whalley (54.95%) and Billington and Old Langho (50.89%).¹⁶

⁸ Office for National Statistics 2007 mid-year projection – ethnicity (experimental stats)

⁹ Analysis of National Insurance Number Registrations by non-UK Nationals, by country of origin, in Lancashire County and the Districts: 2002/03 – 2005/06 – A report produced by LCC's Research and Intelligence Team

¹⁰ Office for National Statistics 2010 mid-year projection

¹¹ Compared to Office for National Statistics 2010 mid-year projection

¹² Office for National Statistics 2010 mid-year projection

¹³ Office for National Statistics 2007 mid-year projection - ward quinary (experimental stats)

¹⁴ Comparison of ONS mid 2004 and mid 2010 projected population

¹⁵ Comparison of ONS mid 2004 and mid 2009 projected population – selected ages

¹⁶ Comparison of ONS Census 2001 and mid 2007 projected population – ward quinary (experimental stats)

Age Structure (Working Age)

- 3.16 There are currently 32,900 people in the working age population (18-retirement age) of the Borough, which is 900 fewer than in 2004.
- 3.17 Whalley (45.83%) has seen the largest increase in the working age population (18-retirement age) in the borough between 2001 and 2007. Two other wards have also seen substantial increases – Billington and Old Langho (24.77%) and Aighton, Bailey and Chaigley (22.97%). Several wards have seen notable declines – Langho (-5.01%), St Mary's (-2.53%) and Read and Simonstone (-1.82%).

Housing and Households

- 3.18 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.
- 3.19 According to household projections there were 24,887 households within the Borough at the end of 2011. The number of borough households is expected to grow to 29,000 by 2028 at an estimated increase of 250 households per annum.
- 3.20 The average size of Borough households was estimated to be 2.41 persons in 2008, compared to a projected figure of 2.18 persons per household by 2028. The declining household size is directly linked to the requirements for new dwellings.

Social Deprivation (Index of Multiple Deprivation)

- 3.21 The IMD 2010 provides measures of deprivation at local authority level, ranking the deprivation of 354 local authority districts in England, where 1 is the most deprived and 354 is the least deprived. The rankings for the Ribble Valley are summarised below:

Rank out of 354	
Average Score	290
Extent	294
Local Concentration	312
Income Scale	323
Employment Scale	305

Health

- 3.22 According to the Ribble Valley Health Profile 2011¹⁷, the health of people in Ribble Valley is generally better than the England average. Life expectancy for men and women is higher than the England average. Life expectancy is 4.7 years lower for women in the most deprived areas of Ribble Valley than in the least deprived areas (based on the Slope Index of Inequality published January 2011).
- 3.23 However, there are significant health problems. A lower percentage of pupils than average spend at least three hours each week on school sport. 20.1% of expectant mothers smoke during pregnancy. When looking at alcohol consumption in the borough 32.7% of people aged 16 or over are classified as having 'increasing and higher risk drinking' compared to the England average of 23.6%. The rate of road injuries and deaths of 80.2 per 100,000 population is significantly higher than the England average of 48.1 per 100,000 population.

¹⁷ Produced by the Association of Public Health Observatory on behalf of the Department of Health

4 Financial Context

- 4.1 More so now than ever, it is very important for the Council to maintain a healthy level of balances to cover for unforeseen events and also provide a stable level of resources for future planning.
- 4.2 At the end of the 2010/11 financial year the Council further built its financial resilience by strengthening the level of earmarked reserves to meet the challenging period that it was entering.
- 4.3 The level of General Fund Balances and Earmarked Reserves at the 31 March 2011 totalled just over £4.9 million.
- General Fund Balances: £1.4m
 - Earmarked Reserves: £3.5m
- 4.4 The level of reserves and balances has been reviewed and found to be more than adequate to meet the Council's projected revenue expenditure. This review gave full consideration to the future service needs and pressures following the recently completed service reviews and expenditure that may be needed in order to achieve future savings or efficiencies. It is recommended that general fund balances are not allowed to fall below £700,000.
- 4.5 The level of the Council's net expenditure (expenditure net of fees and charges, interest and movements in balances) continues to fall as a result of the reducing level of support from the Government. With council tax levels frozen, alternative sources of financial support for council services is limited. As a result a fundamental review of all council services and the management structure was undertaken during the 2010 and 2011 calendar years in order to reduce the cost of council services. A net expenditure comparison is shown below:

	2010/11	2011/12	2012/13
	£	£	£
Net Expenditure	7,275,847	6,368,431	6,047,925
Percentage reduction from preceeding year		12.47%	5.03%

- 4.6 The level of net expenditure needed in future years will also be very sensitive to changing income levels from investment returns and fees and charges, both of which have been affected substantially by the current economic climate.
- 4.7 The recent service review that was completed in 2011 will achieve substantial savings of £635,160 in the 2012/13 budget. This was the second phase of the review of the Council structure, the first of which was completed in 2010 and was the review of senior management. The first phase of the structure review achieved savings averaging £108,000 per annum over five years.
- 4.8 The council will continue to use General Fund balances prudently to subsidise the revenue budget over the medium-term, however longer-term it is important that the council looks to set its revenue budget with minimum support from its general fund balances. Whilst the level of government support is known to continue to reduce in to 2012/13, the level of future Central Government support for 2013/14 onwards remains uncertain. This uncertainty strengthens the need for the council to maintain a healthy level of general fund balances over these uncertain times.
- 4.9 The level of overall capital reserves has been a matter of concern over recent years. These have been somewhat depleted, particularly following the completion of a number of high value capital schemes, such as the Clitheroe Castle Museum. The capital reserve is to be supplemented by a budgeted transfer of revenue resources of £267,000 at the end of the 2011/12 financial year. This will ensure that the total level of capital resources will not fall below the minimum recommended level of £300,000 over the life of the forward capital programme.

5 **National Context and Other External Factors**

- 5.1 The Comprehensive Spending Review 2010 was announced in October 2010 and set out real terms reduction of 28% in local authority budgets over the next four years. This compares with overall cuts of 8.3% across all government departmental budgets. Local authority core funding from DCLG is to fall from £28.5bn in 2010/11 to:
- £26.1bn in 2011/12
 - £24.4bn in 2012/13
 - £24.2bn in 2013/14
 - £22.9bn in 2014/15
- 5.2 In the Finance Settlement 2011/12, more weight was given in favour of those parts of the country with the highest levels of need, and also provided additional grants to help those Council's in the most deprived areas, including many of the Council's neighbours, via a new Transitional Grant. This Transitional Grant will continue to be provided in the 2012/13 financial year.
- 5.3 The current Spending Review period provided councils with a proposed Finance Settlement for 2012/13, which has since been confirmed by the Government. However, funding from the Government is uncertain for the period 2013/14 onwards at this moment in time.
- 5.4 The table below provides a comparison of the grant for 2011/12 and 2012/13, together with the grant for 2010/11 (which has been adjusted for the transfer of concessionary travel to upper tier authorities in 2011/12).

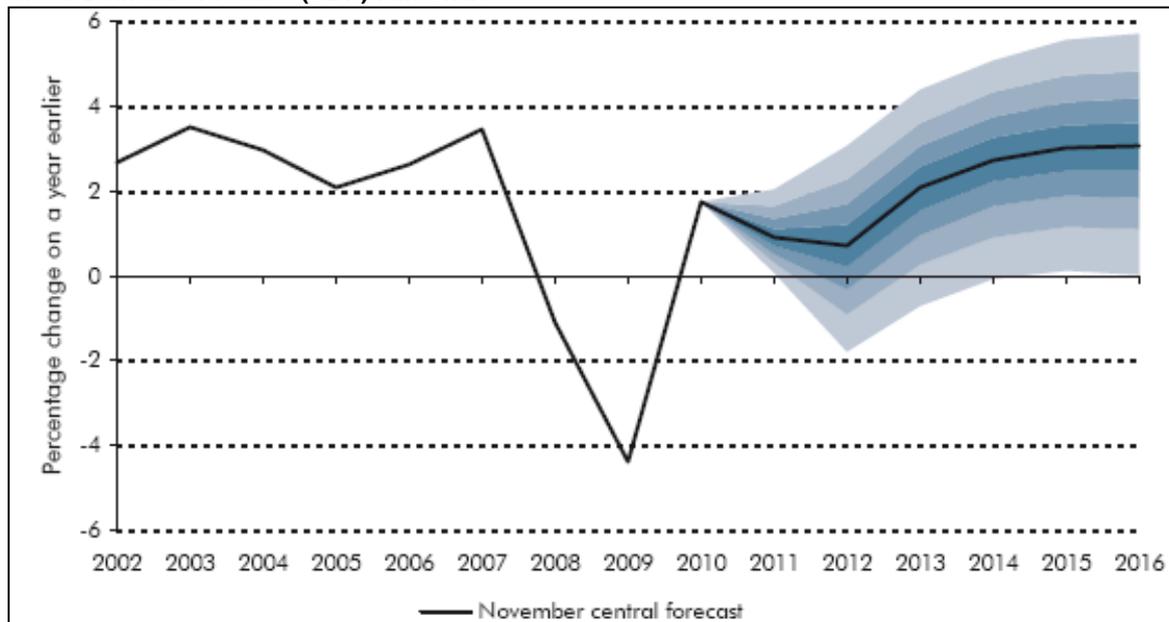
Local Government Finance Settlement – Formula Grant

Financial Year	£'000	Percentage Decrease from 2010/11 Adjusted
2010/11 – Adjusted	3,773	-
2011/12 – Actual	3,214	14.8% reduction
2012/13 – Confirmed	2,825	25.1% reduction

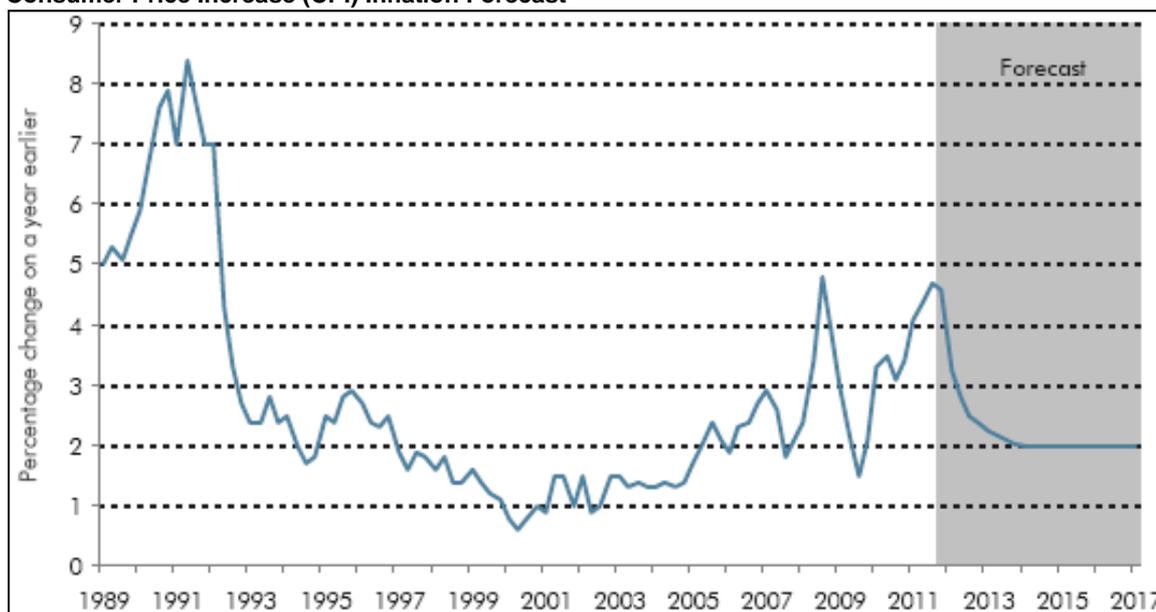
- 5.5 The current local government resource review looks to fundamentally change the manner in which council services are financially supported. Currently the council collects business rates, which are then pooled centrally by government and redistributed to local authorities through formula grant. Any proposed changes would be implemented from April 2013.
- 5.6 The government believe that local authorities should receive a financial benefit by being able to retain a proportion of business rates if they achieve local growth in business rates. It is seen that this would act as a financial incentive to local authorities to stimulate growth within their borough. The government also hope that this will enable an increased use of Tax Increment Financing (TIF). Proposals aim to give local authorities an incentive to promote growth through their influence over their local economies, investment in infrastructure and by building strong relationships with businesses.
- 5.7 The proposals have the potential for the council to see an increase in retained business rates, should there be a local growth in business rates in excess of national growth forecasts. Excluded from the measure of business rate growth are increases due to changes in the multiplier and revaluations, which will be kept by the government. No assumptions have been made in this strategy for any increase in financial support due to retained business rates.

- 5.8 As announced in the 2010 Spending Review, support for council tax will be localised from 2013/14 and funding from the Government to pay for council tax benefit will be reduced by 10%. Whilst the new scheme will be 'local', the Government have stated that protection must be given to vulnerable people including pensioners who may struggle to pay council tax. This means that to accommodate the 10% reduction in the overall cost of benefit payments, reductions in the payments to other client groups will be more than 10%.
- 5.9 The council pays out £2.3m each year in Council Tax benefit. Under current rules the council receive benefit subsidy to cover this expenditure in full from the Government. However, due to the proposals in future the council will receive a fixed grant and therefore we will be required to design a scheme that will reduce expenditure by £230,000 per annum, based on current levels.
- 5.10 The continuing uncertainty surrounding the current economic downturn has substantially impacted on the council's resources, not least in the form of sustained reductions in 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.
- 5.11 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. The medium term financial strategy will therefore need to remain flexible to respond to any opportunities or threats that this external environment presents.
- 5.12 The Chancellor of the Exchequer made his Autumn Statement in November 2011 to coincide with the release of the latest economic and fiscal outlook published by the Office of Budget Responsibility (OBR). The economic recovery has been much slower than expected and the Gross Domestic Produce (GDP) continues to be below the 2008 level. Inflation and growth forecasts have been disappointing, along with high levels of unemployment, particularly amongst younger people. The OBR growth and inflation forecasts from November 2011 are shown below

Gross Domestic Produce (GDP) Fan Chart



Consumer Price Increase (CPI) Inflation Forecast



- 5.13 The above chart, published by the Office of Budget Responsibility (OBR) forecasts that the Consumer Price Index (CPI) will return to target by 2014. This assumes particularly that oil prices gradually fall back, along with food prices. It also anticipates that spare capacity in the economy will help bring down inflation. The risks to both forecast charts from events in the euro area are significant.
- 5.14 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.
- 5.15 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 was a partner in the Lancashire Local Area Agreement (LAA), which was a process of agreeing community priorities for the county area based on district level community strategies and local priorities. Government reward funding was allocated to the LAA following achievement of the agreed performance targets. The community will benefit greatly from the Performance Reward Grant that has been received.
- 6.3 Specific partner funding or grant income is generally not assumed within the budget 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.

Partnership Working	Purpose
Ribble Valley Strategic Partnership	Established to provide a mechanism to bring together local business along with community, voluntary and public sectors to promote economic, social and well being
Community Safety Partnership	A partnership plan to address anti social behaviour, criminal activity, neighbourhood policing and alcohol harm awareness. Action days are organised by this group.
Lancashire Procurement Hub	The collaborative Procurement Hub ensures collaborative purchasing opportunities are undertaken and not missed, so that the sub region is able to enjoy real economies of scale. It co-ordinates and facilitates the sharing of expertise and skills across Lancashire to promote a professional procurement culture within our authorities and to our supplier base.
Lancashire Waste Partnership	To promote a culture whereby waste is recognised as a resource and there is acceptance of responsibility of minimising its production and maximising its recovery.
CRACS (Collaborative Research and Consultation Service)	A centralised research and consultation service to be utilised at partners convenience. Services include training to give colleagues skills and confidence to deliver research and consultation projects.
Ribble Valley Homes	The Council works with Ribble Valley Homes to provide housing services in the borough. Ribble Valley Homes is the largest registered social landlord operating in the borough and is the major provider of social housing.
Lancashire Enterprise Zone Partnership	A vehicle for supporting the delivery of the Lancashire Enterprise Zone. Comprising Ribble Valley, South Ribble and Fylde Borough Councils, Lancashire County Council and British Aerospace. The group meets fortnightly to coordinate putting in place statutory measures for delivering the project, maintaining close liaison between partners, co-ordinating links with the community and the Lancashire Economic Partnership.
Mid Lancashire Partnership	This group meets to co-ordinate activity in relation to Economic Development, Strategic Housing and Planning activities across the Mid Lancashire grouping of authorities, including South Ribble, Chorley, Preston, Lancaster, Ribble Valley and Lancashire County Council.
Children's Trust	Children's Trust has been established to take the strategic lead in the future development of services for children and young people. Within Lancashire, the structure includes a county-wide trust, cascading down to trust arrangements based on each district footprint.
Health and Wellbeing Boards	Health and Wellbeing Boards created within local government in an attempt to coordinate commissioning of NHS services, social care and health improvement.
Street Scene and Public Realm Agreement	The Engineering Services section works in partnership with Lancashire County Council to deliver locally a number of services under the Street Scene and Public Realm Agreement.

-
- 6.5 Aside from the financial support from the Government in the form of Formula Grant, the Council also receives grant funding for the provision of council tax and housing benefit payments to claimants within the borough. Payments are currently fully funded by grant from the government. The Council has budgeted to pay £2.3m in council tax benefit payments and £7m in housing benefit payments to claimants per annum. The council also receives an administration grant to help support service provision costs, of approximately £250,000.
- 6.6 As previously mentioned the council tax benefit grant from central government is to be reduced by 10% from 2013/14 through the localisation of council tax benefit. The council will therefore be required to design a scheme that will reduce expenditure by £230,000 per annum, based on current levels, to accommodate this reduction in future government financial support.
- 6.7 Further financial support is received from the Government towards the administration of business rates and in 2012/13 the council has budgeted to receive approximately £85,000.
- 6.8 Substantial funding is received from the NHS East Lancashire towards the provision of healthy lifestyle services and the Exercise Referral Scheme service. In 2012/13 the council has budgeted to receive £91,170 towards the provision of this service. At the moment this funding is guaranteed until 31 March 2013, with uncertainty around future funding.
- 6.9 External funding is received from the Ribble Valley Community Safety Partnership towards crime reduction schemes. Funding of approximately £22,210 per annum is received by this council from these partners. However, funding of £17,210 from Lancashire Combined Fire Authority and Lancashire Police Authority, which is channelled through the Ribble Valley Community Safety Partnership remains uncertain.
- 6.10 Government support of the capital programme comes in the form of Disabled Facilities Grant. The grant is received with very specific conditions and is used to part fund the disabled facilities grants that the Council award as part of the capital programme.
- 6.11 All other external capital finance support is scheme specific and dependant on schemes included within the capital programme. There are currently no such schemes included in the capital programme for the next three years, however additional approvals for such schemes may take place over the coming period.

7 Initial Three Year Projections of Revenue Expenditure

- 7.1 The key aim of the MTFS 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 and 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 minimum amount of general fund balances has in the past been agreed at £700,000. The forecast within this Medium Term Financial Strategy keeps balances above this minimum, with a closing balance at 31 March 2015 anticipated of £1.201m. Council tax increases have been forecast at 0% for 2012/13 and 2.5% per annum thereafter.
- 7.4 For the 2011/12 financial year the Government awarded a Council Tax Freeze Grant equivalent to a 2.5% increase in council tax to all councils who froze council tax levels. For this council the level of grant received was £78,660 in 2011/12 and will continue to be received until 2014/15, after which it will cease.

7.5 The Government has again encouraged council's to freeze the level of council tax for 2012/13 through the offer of a further Council Tax Freeze Grant. However, this would only be payable as a one off grant in 2012/13. In order to avoid any adverse impact of this grant being a one off payment, action has been taken to reduce the use of general fund balances in 2012/13 by an equivalent amount. A summary of the amounts receivable is shown below.

	2011/12	2012/13	2013/14	2014/15	Total
Council Tax Freeze Grant (Awarded 2011/12)	78,660	78,660	78,660	78,660	314,640
Council Tax Freeze Grant (Awarded 2012/13)	0	78,910	0	0	78,910
Total	78,660	157,570	78,660	78,660	393,550

7.6 The New Homes Bonus commenced in April 2011 and is paid to the council by the Government for new homes and empty properties brought back in to use. The amount receivable is equivalent to the national average council tax for each property and is receivable every year for the following six years. The amount is also supplemented with an additional amount for affordable homes. The table below provides a summary of estimated future amounts receivable based on the amount received in 2012/13.

Year of Award	Received 2011/12 £	Forecast 2012/13 £	Potential 2013/14 £	Potential 2014/15 £	Potential 2015/16 £	Potential 2016/17 £	Potential 2017/18 £
Granted 2011/12	62,050	62,050	62,050	62,050	62,050	62,050	
Granted 2012/13		105,190	105,190	105,190	105,190	105,190	105,190
Estimated 2013/14			105,190	105,190	105,190	105,190	105,190
Estimated 2014/15				105,190	105,190	105,190	105,190
Estimated 2015/16					105,190	105,190	105,190
Estimated 2016/17						105,190	105,190
Estimated 2017/18							105,190
Total	62,050	167,240	272,430	377,620	482,810	588,000	631,140

The above uses current average council tax levels and assumes the level of growth awarded for in 2012/13

7.7 It is planned to set aside the New Homes Bonus receivable in an earmarked reserve partly to be used to finance Economic Growth and Prosperity capital schemes. Aside from this, £60,000 will be used each year to support the revenue budget.

7.8 As can be seen below, the forecast allows for a freeze in the council tax for 2012/13, and a 2.5% increase in each of the following years. Even with this increase in council tax, there would still be a need for future reductions in expenditure to be found in order to bring the budget in line with the financial strategy for that budget year.

7.9 The substantial uncertainty that surrounds future Government financial support for local government must be kept to the fore when reviewing the three year forecast shown below. The forecast below has been prepared with the assumption of inflation between 2% and 2.5% and a Government Grant cash freeze. This is one of many projections that have been prepared and others are available for perusal at Annex 1 and cover the following scenarios:

- Assuming inflation between 2% and 2.5% with a Government Grant cash reduction of 2.5% per annum
- Assuming inflation between 2% and 2.5% with a Government Grant cash reduction of 5% per annum
- Assuming inflation between 2% and 2.5% with a Government Grant cash increase of 2.5% per annum

	2011/12 Latest Forecast £'000	2012/13 Forecast £'000	2013/14 Forecast £'000	2014/15 Forecast £'000	2015/16 Forecast £'000
Net Expenditure	6,564	6,274	6,461	6,653	6,850
Interest Receipts	-30	-30	-30	-50	-75
Post LSVT Pension Reserve	0	-36	-36	-36	-36
(Use of)/Contribution to Balances	-27	-21	-100	-100	-100
One Off Council Tax Freeze Concession	0	-79	0	0	0
Use of New Homes Bonus	-60	-60	-60	-60	-60
Savings Required	0	0	-84	-149	-290
Budget Requirement	6,447	6,048	6,151	6,258	6,289
Formula Grant	-3,237	-2,823	-2,823	-2,823	-2,823
2011/12 Council Tax Freeze Grant	-79	-79	-79	-79	0
Collection Fund Deficit	15	10	10	10	10
Precept	3,146	3,156	3,259	3,366	3,476
Taxbase	22,357	22,434	22,602	22,772	22,943
Band D Council Tax	£140.69	£140.69	£144.21	£147.81	£151.51
Projected Council Tax increase	0%	0%	2.50%	2.50%	2.50%

7.10 Whilst the Medium Term Financial Strategy is primarily a three year forecast, a further year has been included in the table above and in those shown at Annex 1. This is primarily to highlight the potential future savings required in the longer term. However, it must be noted that these are based on particular scenarios, much of which is uncertain for the period covered.

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

- A cash freeze on Government grant
- Inflation has been allowed for between 2% and 2.5%
- Use of balances will continue at approximately £100,000 p.a. from 2013/14 onwards
- Continued use of the Building Control Reserve.
- An increase in interest receipts to £50,000 in 2014/15 based on an assumption that interest rates will see a minimal increase.
- No new growth items that cannot be funded from efficiency savings.
- A council tax deficit has been allowed for, based on current experience.
- Increase in the council taxbase each of 0.75% based on current indications.

7.12 The main reasons for the increase in net expenditure between years are shown below:

	2012/13 to 2013/14 £'000	2013/14 to 2014/15 £'000	2014/15 to 2015/16 £'000
Movement in cost of services	187	192	197
Increased Interest Receipts	0	-20	-25
One Off Council Tax Freeze Grant	79	0	0
Use of Balances	-79	0	0
Increased Savings Required	-84	-65	-141
Total Change in Budget Requirement	103	107	31

8 General Fund Balance and Earmarked Reserves

8.1 The impact of the forecast on the council's general fund balances is summarised in the table below. It is important to note that due to the substantial uncertainty surrounding government support in future years, this forecast will be highly sensitive. It is not known what level of financial Government support the Council will receive for the 2013/14 financial year and onwards. The information provided below is based on an assumption of inflation between 2% to 2.5% and a cash freeze on Government financial support. The impact of other scenarios are provided at Annex 1.

8.2 The impact of the above on council general fund balances is shown below. The minimum recommended level of balances is £700,000.

	Current Year £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Brought Forward	1,448,760	1,421,961	1,401,231	1,301,231
(Use of)/Contribution to Balances	-26,799	-20,730	-100,000	-100,000
Carried Forward	1,421,961	1,401,231	1,301,231	1,201,231

8.3 As with any plan spanning a number of years it is only prudent to consider the associated risks. As previously stated, although the Government has provided details of what the council will receive in 2012/13 it is still unknown what the council will receive in 2013/14 and onward as the current local government resource review looks to fundamentally change the manner in which council services are financially supported.

8.4 There is also further uncertainty around the impact of the localisation of council tax benefit and the level of impact on the council of the move to the Universal Credit.

8.5 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.

Reserve	Estimate 31 March 2012 £	Estimate 31 March 2013 £	Estimate 31 March 2014 £	Estimate 31 March 2015 £
<u>Elections Fund</u> <i>Used to fund borough elections held once every four years</i>	19,851	40,221	60,221	80,221
<u>Audit Reserve Fund</u> <i>Used for computer audit</i>	12,335	12,335	12,335	12,335
<u>Building Control Fund</u> <i>Available to equalise net expenditure over a three year period</i>	-81,634	-82,714	0	0
<u>Rural Development Reserve</u> <i>Used to fund consultation work on rural housing</i>	1,631	1,631	0	0
<u>Capital</u> <i>Used to fund the capital programme</i>	293,395	301,665	309,935	309,935
<u>Insurance</u> <i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	20,000	20,000	20,000	20,000
<u>Community Enhancement</u> <i>Used to fund grants to local organisations</i>	2,881	2,881	0	0
<u>New Community Enhancement Schemes</u> <i>Additional reserve for funding grants to local organisations</i>	6,809	6,809	0	0
<u>Rent Deposit Reserve</u> <i>Set aside for homeless rent deposits</i>	7,837	7,837	0	0
<u>Revenue Contributions (RCCO) Unapplied</u> <i>Used to fund capital expenditure</i>	23,134	23,134	23,134	23,134
<u>Parish Schemes</u> <i>Used to fund Parish improvement schemes</i>	1,729	1,729	0	0
<u>Local Development Framework</u> <i>To finance Local Development Framework costs</i>	3,833	3,833	0	0
<u>LALPAC Licensing System</u> <i>To fund costs of LALPAC licensing system</i>	1,866	1,866	0	0
<u>IT Equipment</u> <i>To fund future IT requirements</i>	9,000	9,000	9,000	9,000

Reserve	Estimate 31 March 2012 £	Estimate 31 March 2013 £	Estimate 31 March 2014 £	Estimate 31 March 2015 £
Conservation Reserve <i>To fund conservation schemes completed after the financial year end</i>	6,210	6,210	0	0
Concessionary Travel <i>To fund the transfer of the administration of the scheme to upper tier local authorities</i>	40,026	40,026	40,026	40,026
Fleming VAT Claim <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	239,926	239,926	239,926	239,926
Repairs and Maintenance <i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>	33,299	33,299	33,299	33,299
Post LSVT <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	438,150	401,975	365,800	329,625
Market Town Enhancement <i>To fund grants under Market Towns Enhancement Scheme</i>	6,643	6,643	0	0
Performance Reward Grant <i>Performance Reward Grant received and yet to be distributed to successful schemes</i>	328,780	291,780	191,780	91,780
Refuse Collection <i>To fund the provision of replacement wheeled bins</i>	18,000	18,000	18,000	18,000
Restructuring Reserve <i>To fund costs resulting from the restructure review</i>	275,000	275,000	275,000	275,000
VAT Shelter Reserve <i>To contribute towards the future financing of the capital programme</i>	1,375,542	1,743,202	2,118,201	2,330,201
Revaluation of Assets Reserve <i>To contribute towards the revaluation of the Council's assets every five years.</i>	4,000	6,000	8,000	10,000
Equipment Reserve <i>To fund essential and urgent equipment requirements</i>	31,000	31,000	31,000	31,000
Invest to Save Fund <i>To fund future invest to save projects</i>	150,000	150,000	150,000	150,000
Land Charges Reserve <i>To fund any potential restitution claims for personal search fees</i>	34,356	34,356	34,356	34,356
Pendle Hill User Reserve <i>To fund improvement schemes on Pendle Hill</i>	25,580	25,580	25,580	25,580
Planning Reserve <i>To fund any future potential planning issues</i>	150,000	150,000	150,000	150,000

Reserve	Estimate 31 March 2012 £	Estimate 31 March 2013 £	Estimate 31 March 2014 £	Estimate 31 March 2015 £
<u>Crime Reduction Partnership Reserve</u> <i>To fund cost of crime reduction initiatives</i>	14,260	0	0	0
<u>Housing Benefit Reserve</u> <i>To help meet the challenges facing the service in the coming years</i>	60,000	60,000	0	0
<u>Clitheroe Cemetery Extension</u> <i>To meet any future costs from CPO</i>	3,640	3,640	3,640	3,640
<u>Exercise Referral</u> <i>To meet future costs of the service</i>	5,310	5,310	5,310	5,310
<u>Wellbeing and Health Equality</u> <i>To meet future costs of the service</i>	57,000	44,580	30,000	0
<u>New Homes Bonus Reserve</u> <i>For future capital use</i>	2,050	9,290	221,720	539,340
TOTALS	3,621,439	3,926,044	4,376,263	4,761,708

9 Capital Programme 2012/13 – 2014/15

- 9.1 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 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 The Council's proposed capital programme at the time of producing this medium term financial strategy is reproduced at Annex 2. The table below shows a summary of the proposed capital programme. The council's policy is to maintain a £300,000 balance of resources. The table shows that the balance of available capital resources will remain above this level for the life of the capital programme.

	2012/13 £	2013/14 £	2014/15 £	Total £
Total of all Proposed Schemes	631,000	208,000	395,000	1,234,000
Resources Available in the year	-508,440	-220,000	-383,000	-1,111,440
Balance of Resources Brought Forward	-423,195	-300,635	-312,635	-423,195
Balance Remaining	-300,635	-312,635	-300,635	-300,635

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 2012/13.

Area of Sensitivity	Percentage Fluctuation	Annual Impact on Budget
Pay Award	0.25%	£14,430
Energy Costs	5.00%	£6,760
Short Term Investment Interest Rates	0.25%	£6,550
Fees and Charges	1.00%	£19,370
Service Specific Government Grants	1.00%	£94,810
Other Grants and Contributions	1.00%	£6,450
Formula Grant	1.00%	£29,020

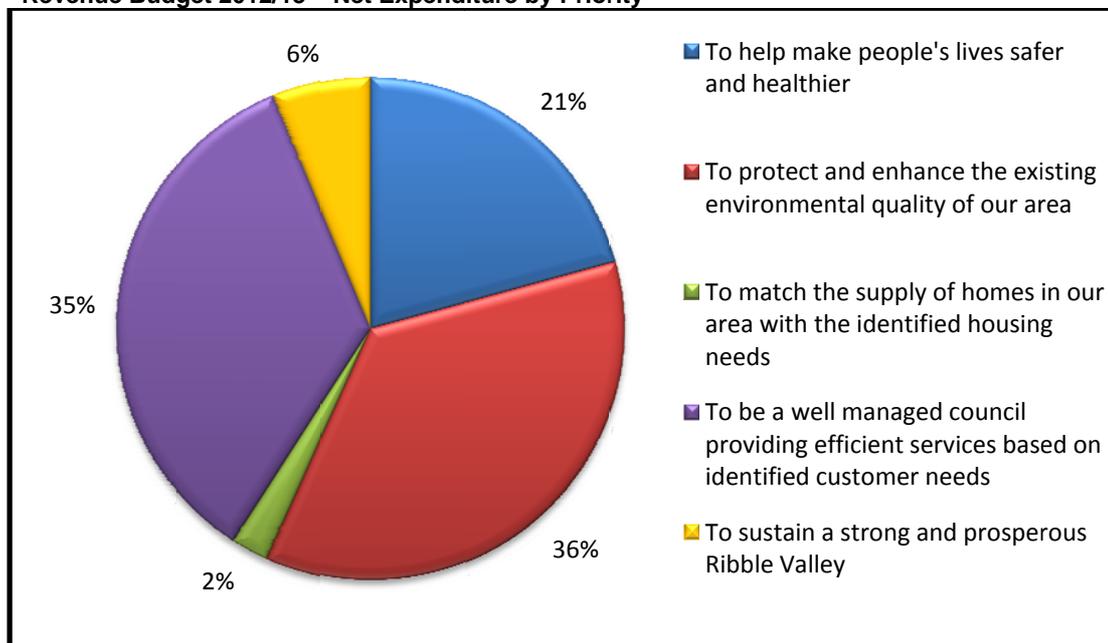
- 10.3 In terms of impact on the council tax, each budget adjustment of £100,000 has the effect of changing council tax at Band D equivalent by £4.46 or 3.2%.
- 10.4 On the other hand, for every 1% increase in the level of 2012/13 council tax charge, an additional £31,560 council tax revenue would be raised and therefore, for every 1% decrease in the level of council tax revenue £31,560 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 2012/13 this will support approximately 48% of the Council's budget requirement and so any variation has a major impact. A variation of 1% in this funding would amount to £29,020.

Risk	Level	Mitigation
Savings that have been identified by Heads of Service are not achieved	Medium	Regular monitoring of budgets and meetings with Heads of Service 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. The markets are regularly monitored and discussions held with the Director of Resources, Head of Financial Services and Senior Accountant daily.
A financial institution that has been invested in is unable to repay the principle sum to the Council	Medium	This risk is managed through the Treasury Management Strategy. The markets are regularly monitored and discussions held with the Director of Resources, Head of Financial Services and Senior Accountant daily.
Future formula grant settlement for 2013/14 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 highlights the significant uncertainty surrounding this area at the current time.
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.

11 Links to Ambitions and Priorities

11.1 All budgets are linked to the Council's priorities and these links were identified throughout the budget setting process. The table below shows our planned revenue spend for 2012/13 broken down over the Council ambitions and priorities.

Revenue Budget 2012/13 – Net Expenditure by Priority

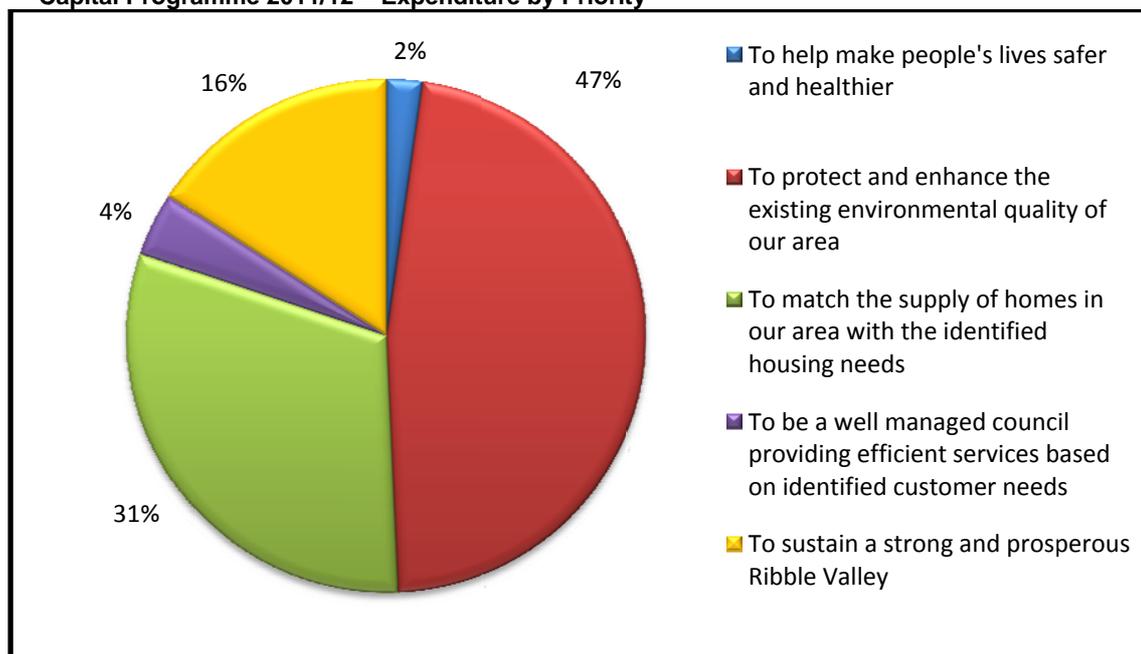


11.2 As with revenue budgets, all proposed capital schemes are linked to the Council's priorities. The evaluation process also required Heads of Service to submit detailed bid forms for new capital schemes. These included such information as:

- Link to priorities
- 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 capital programme for 2012/13 broken down over the Council priorities.

Capital Programme 2011/12 – Expenditure by Priority



Budget Forecasts Using Alternative Inflation and Government Grant Assumptions

Assuming inflation between 2% and 2.5% and a Reduction of 2.5% per annum in Government Financial Support

	2012/13 OE		2013/14		2014/15		2015/16		
	£		£		£		£		
Net Expenditure after use of reserves		6,273,740		6,461,700		6,653,000		6,850,000	
Interest Receipts		-30,000		-30,000		-50,000		-75,000	
Post LSVT Pension Reserve		-36,175		-36,175		-36,175		-36,175	
One Off Council Tax Freeze concession		-78,910							
Use of New Homes Bonus		-60,000		-60,000		-60,000		-60,000	
Use of Balances		-20,730		-100,000		-100,000		-100,000	
Reductions in Expenditure Required		0		-156,972		-292,459		-502,055	
Budget Requirement		6,047,925		6,078,553		6,114,366		6,076,770	
Government Financial Support		2,901,686		2,829,144		2,758,415		2,610,795	
Council Tax Freeze concession		0		0		0		0	
Collection Fund Deficit		-10,000		-10,000		-10,000		-10,000	
Precept		3,156,239		3,259,409		3,365,951		3,475,975	
Tax Base		22,434	act	22,602	0.75%	22,772	0.75%	22,943	0.75%
Band D Ctax	+2.5%	140.69	Freeze	144.21	2.5%	147.81	2.5%	151.51	2.5%

Effect of above on General Fund Balances

General Fund Balances		2012/13		2013/14		2014/15		2015/16	
		£		£		£		£	
Brought Forward			1,421,961		1,401,231		1,301,231		1,201,231
Used			-20,730		-100,000		-100,000		-100,000
Carried Forward			1,401,231		1,301,231		1,201,231		1,101,231

Assuming inflation between 2% and 2.5% and a Reduction of 5% per annum in Government Financial Support

	2012/13 OE		2013/14		2014/15		2015/16		
		£		£		£		£	
Net Expenditure after use of reserves		6,273,740		6,461,700		6,653,000		6,850,000	
Interest Receipts		-30,000		-30,000		-50,000		-75,000	
Post LSVT Pension Reserve		-36,175		-36,175		-36,175		-36,175	
One Off Council Tax Freeze concession		-78,910							
Use of New Homes Bonus		-60,000		-60,000		-60,000		-60,000	
Use of Balances		-20,730		-100,000		-100,000		-100,000	
Reductions in Expenditure Required		0		-229,514		-432,102		-703,676	
Budget Requirement		6,047,925		6,006,011		5,974,723		5,875,149	
Government Financial Support		2,901,686		2,756,602		2,618,772		2,409,173	
Council Tax Freeze concession		0		0		0		0	
Collection Fund Deficit		-10,000		-10,000		-10,000		-10,000	
Precept		3,156,239		3,259,409		3,365,951		3,475,975	
Tax Base		22,434	act	22,602	0.75%	22,772	0.75%	22,943	0.75%
Band D Ctax	+2.5%	140.69	Freeze	144.21	2.5%	147.81	2.5%	151.51	2.5%

Effect of above on General Fund Balances

General Fund Balances	2012/13		2013/14		2014/15		2015/16	
		£		£		£		£
Brought Forward		1,421,961		1,401,231		1,301,231		1,201,231
Used		-20,730		-100,000		-100,000		-100,000
Carried Forward		1,401,231		1,301,231		1,201,231		1,101,231

Assuming inflation between 2% and 2.5% and an Increase of 2.5% per annum in Government Financial Support

	2012/13 OE		2013/14		2014/15		2015/16		
		£		£		£		£	
Net Expenditure after use of reserves		6,273,740		6,461,700		6,653,000		6,850,000	
Interest Receipts		-30,000		-30,000		-50,000		-75,000	
Post LSVT Pension Reserve		-36,175		-36,175		-36,175		-36,175	
One Off Council Tax Freeze concession		-78,910							
Use of New Homes Bonus		-60,000		-60,000		-60,000		-60,000	
Use of Balances		-20,730		-100,000		-100,000		-100,000	
Reductions in Expenditure Required		0		-11,888		-2,290		-66,711	
Budget Requirement		6,047,925		6,223,637		6,404,535		6,512,114	
Government Financial Support		2,901,686		2,974,228		3,048,584		3,046,138	
Council Tax Freeze concession		0		0		0		0	
Collection Fund Deficit		-10,000		-10,000		-10,000		-10,000	
Precept		3,156,239		3,259,409		3,365,951		3,475,975	
Tax Base		22,434	act	22,602	0.75%	22,772	0.75%	22,943	0.75%
Band D Ctax	+2.5%	140.69	Freeze	144.21	2.5%	147.81	2.5%	151.51	2.5%

Effect of above on General Fund Balances

General Fund Balances	2012/13		2013/14		2014/15		2015/16	
		£		£		£		£
Brought Forward		1,421,961		1,401,231		1,301,231		1,201,231
Used		-20,730		-100,000		-100,000		-100,000
Carried Forward		1,401,231		1,301,231		1,201,231		1,101,231

Forward Capital Programme – 2012/13 to 2014/15

EXPENDITURE	Budget Working Group and CMT Recommendations				
	2012/13			2013/14	2014/15
	Proposed Budget £	Budget Moved from 2011/12 £	Total Proposed Budget £	Proposed Budget £	Proposed Budget £
COMMUNITY SERVICES COMMITTEE					
CCTV					
CCTV System Data Transmission Pack	14,000		14,000		
Grounds Maintenance					
Replacement vehicle PK06 WY - Vauxhall Vivaro 2900 DT I LWB Panel Van				13,000	
Gang Mower Replacement - Major TDR16000 Roller Mower	22,000		22,000		
Whalley Moor - Woodland paths and nature trails		20,080	20,080		
Refuse Collection					
Replacement of VX53 TZJ - Dennis 23t RP HGV Refuse Collection Vehicle		165,000	165,000		
Replacement of VX04 FXV - Dennis 23t RP HGV Refuse Collection Vehicle	170,000		170,000		
Refurbishment of body on PN05 PWL - DAF 7t HGV Refuse Collection Vehicle	15,000		15,000		
Replacement of VA57 BBF - Geesink 26t RP HGV Refuse Collection Vehicle					200,000
TOTAL COMMUNITY SERVICES COMMITTEE	221,000	185,080	406,080	13,000	200,000
POLICY AND FINANCE COMMITTEE					
IT Services					
Server and Network Infrastructure	25,000		25,000		
Economic Development					
Economic Development Initiatives	100,000		100,000		
TOTAL POLICY AND FINANCE COMMITTEE	125,000	0	125,000	0	0

EXPENDITURE	Budget Working Group and CMT Recommendations				
	2012/13			2013/14	2014/15
	Proposed Budget £	Budget Moved from 2011/12 £	Total Proposed Budget £	Proposed Budget £	Proposed Budget £
HEALTH AND HOUSING COMMITTEE					
<u>Clitheroe Cemetery</u>					
Installation of Infrastructure	90,000		90,000		
<u>Housing</u>					
Landlord/Tenant Grants	75,000	45,000	120,000	75,000	75,000
Disabled Facilities Grants	120,000	69,180	189,180	120,000	120,000
Repossession Prevention Fund		8,560	8,560		
TOTAL HEALTH AND HOUSING COMMITTEE	285,000	122,740	407,740	195,000	195,000
TOTAL OF PROPOSED PROGRAMME	631,000	307,820	938,820	208,000	395,000