

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 10 FEBRUARY 2015  
 title: OVERALL REVENUE BUDGET 2015/16  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: JANE PEARSON

### 1 PURPOSE

- 1.1 To approve the revised revenue budget for 2014/15.
- 1.2 To consider and recommend a revenue budget and council tax requirement for 2015/16 to Full Council on 3 March 2015.

### 2 CURRENT YEAR'S REVISED BUDGET 2014/15

#### *Background*

- 2.1 The revised budget for 2014/15 has now been prepared. Committees, during this cycle, have reviewed their estimates and the reasons for any significant changes.
- 2.2 The Original Estimate included provision for price increases of 2.75% and a potential pay increase of 1%, overall general inflation for the year is likely to be slightly less than this. The pay award has been settled at 2.2% but this covers 2 years which equates to approximately 1% in the current year.
- 2.3 The revised budget is now looking as if there will be a reduction of £310k in net expenditure. This is shown in the summary below.

	Original Estimate 2014/15 £	Revised Estimate 2014/15 £
<b><i>Committee Expenditure</i></b>		
Planning & Development	578,290	546,650
Community	3,480,480	3,418,750
Health & Housing	833,090	800,540
Policy & Finance	1,869,690	1,957,130
<b>Total of Committees</b>	<b>6,761,550</b>	<b>6,723,070</b>
<b><i>Capital Adjustments</i></b>		
Less Depreciation (included in above)	-725,170	-739,520
Add Minimum Revenue Provision (MRP)	135,960	135,860
<b>Total Expenditure</b>	<b>6,172,340</b>	<b>6,119,410</b>
<b><i>Other Items</i></b>		
External Interest Payable	13,200	13,200
Interest Earned	-28,790	-26,160

	Original Estimate 2014/15 £	Revised Estimate 2014/15 £
Council Tax Freeze Grant	-31,560	-32,048
Localisation of Council Tax Support – grant paid to parishes	17,034	17,034
Rural Areas Delivery Grant – Additional funding	0	-2,665
New Homes Bonus	-594,807	-594,806
New Homes Bonus Returned Funding to LA's	0	-4,084
Income from Business Rates after levy	-387,003	-363,365
<b>Earmarked Reserves</b>		
Transfer From/To Various Funds (See Annex 1)	602,729	326,000
<b>Net Expenditure</b>	<b>5,763,143</b>	<b>5,452,516</b>
Adjustment to Balances to Get to Agreed Budget	-149,646	160,981
<b>Agreed budget for year</b>	<b>5,613,497</b>	<b>5,613,497</b>

### **Change in Committee Expenditure**

- 2.4 In summary, committee expenditure has fallen by £38k. However this is before appropriations to and from earmarked reserves (eg the Planning reserve fund).
- 2.5 Obviously, in a total budget of £6m there are many variations during the course of a year. Service Committees are currently considering their detailed reports which give more information on the forecast variations between the original estimate and the revised estimate, however the **main reasons** are shown below:

Description	Variances from original estimate to revised estimate £
<b>CTBEN - Localised Council Tax Support Administration</b> Following the introduction of Local Council Tax Support, and the move from Council Tax Benefit, any previous years' overpayments of Benefit recovered are retained by the Council, whilst any back payments of Council Tax Benefits to claimants falls on the Council.	-10,840
<b>DOGWD – Dog Warden and Pest Control</b> Reduced pest control and wasps' nests fees income estimated for the year, based on reduced demand and income for the year to date and experience from previous years.	5,790
<b>HGBEN – Housing Benefits Administration</b> A minor reduction in net rent allowance subsidy grant income from the Government compared to original estimate	7,870
<b>CLCEM – Clitheroe Cemetery</b> Reduced income estimated for the year on interments, exclusive burial rights, plaques, headstone foundations and maintenance of graves.	11,940
<b>AWARM – Affordable Warmth and WARMH - Warm Homes</b> Estimated expenditure on affordable warmth schemes in-year of £47,150, partly funded by a 2014/15 grant from Lancashire County Council of £21,900.	25,250

Description	Variances from original estimate to revised estimate £
<p><i>It should be noted that:</i>  - The budgeted increase in net expenditure of £25,250 will be funded by contributions from the Government Housing Grants Reserve, which was set aside for this purpose.</p>	
<p><b>CTBEN – Localised Council Tax Support Administration, HGBEN – Housing Benefits Administration and UCRED – Universal Credit</b>  The Council has entered into a delivery agreement with the DWP to provide support to Universal Credit claimants between late November 2014 and March 2015. Budgeted additional income from the DWP for provision of this service is £38,510.</p>	-38,510
<p><b>ENVHT - Environmental Health</b>  Increased Environmental Protection Registration fee income from newly liable commercial sites and increased private water sampling income from increased work to clear the sampling backlog.</p>	-16,550
<p><b>COMMD Community Services Department</b>  Staff turnover and vacancies has resulted in a reduction in estimated spend.</p>	-59,020
<p><b>RCOLL Refuse Collection</b>  Increased budget to reflect the full establishment costs .</p>	21,720
<p><b>RCOLL Refuse Collection</b>  Increase in estimated recycling credit income due to the additional tonnage of green waste collected.</p>	-40,840
<p><b>PAPER Waste Paper and Card Collection</b>  A staff vacancy for the position of driver/loader has contributed to an underspend.</p>	-24,660
<p><b>TRREF Trade Refuse</b>  Additional income has been generated from an increase in the number of charitable trade waste contracts.</p>	-16,500
<p><b>CRIMP RV Community Safety Partnership</b>  Additional external funding has been received from the Lancashire Police and Crime Commissioner and Clitheroe Town Council.</p>	-15,000
<p><b>MUSEM Castle Museum</b>  An estimated reduction in curatorial fees payable to Lancashire County Council.</p>	-22,820
<p><b>EXREF Exercise Referral</b>  Additional grant income has been received in respect of the Active East Programme and also from the Clinical Commissioning Group.</p>	-15,000
<p><b>PLANG: Planning Control &amp; Enforcement</b> Planning consultants fees on planning appeals and associated costs are anticipated to reach £30k in the financial year, which is £21,690 above the current budget provision. This additional cost is to be met from the planning earmarked reserve fund.</p>	21,690
<p><b>PLANG: Planning Control &amp; Enforcement</b> Decrease in the provision for ordnance survey work as the service level agreement is no longer required.</p>	-7,000
<p><b>PLANG: Planning Control &amp; Enforcement</b> Several large planning applications, such as Bowland Meadows, Longridge; Henthorn Rd, Clitheroe; and Land East of Chipping Lane, Longridge has resulted in additional planning fee income</p>	-46,040
<p><b>CORES: Core Strategy</b> Inspection and associated production costs for Ribble Valley's Core Strategy. This expenditure is to be met from an earmarked reserve established for this purpose</p>	70,250
<p><b>BLDGC: Building Control</b> Reduced Income from building regulations fees. This is mainly due to current economic climate and also due to some organisations using private competitors</p>	12,000
<p><b>CEEXEC: Chief Executives Department</b> Increase in employee costs due to 1 year temporary Environmental Health officer post covering for vacancies and work on</p>	5,900

Description	Variances from original estimate to revised estimate £
private water supplies partially offset by flexible retirement within Building Control	
<b>LSERV: Legal Services</b> Increase in employee related expenditure due to new IER post and maternity cover	7,470
<b>LSERV: Legal Services</b> Reduction in budget provision for the purchase of reference books due to a move towards an on-line subscription	-10,000
<b>CSERV: Corporate Services</b> Increase in the budget provision for the production of the Ribble Valley news, this is due to a delay in producing the spring 2014 edition and will be funded from an earmarked reserve established for this purpose	5,610
<b>CLTAX: Council Tax</b> Increase in income from court costs and summonses	-6,340
<b>NNDRC: National Non Domestic Rates</b> External legal fees incurred due to a legal challenge regarding non domestic rates	7,950
<b>ELECT: Register of Electors</b> Expected underspend at year end on budget to cover purchase of equipment, temporary staff, printing and stationery etc due to change to individual electoral registration, to be added to an earmarked reserve established by grants from Ministry of Justice	-6,780
<b>ELECT: Register of Electors</b> Additional grant from Ministry of Justice to reimburse authorities for expenditure incurred on move towards individual electoral registration to be added to an earmarked reserve established for this purpose.	-13,050
<b>WWOCO: World War One Commemorations</b> Cost of supplying and planting of trees in commemoration of world war one, partly funded from an earmarked reserve established for this purpose.	10,190
<b>VARIOUS: Meals on Wheels / Luncheon Clubs</b> Meals on wheels service operated by Royal Voluntary service ended in June 2014 as service is no longer to be supported by the County Council in it current format resulting in a reduction in transport, equipment, meal costs and income	-6,660
<b>FMISC: Policy &amp; Finance miscellaneous expenses</b> Additional income received from reimbursement of VAT from HMRC in respect of trade waste claim offset by a consultant fee for assisting in making the claim. The net effect will be added to an earmarked reserve established from previous claims.	-10,420
<b>FMISC: Policy &amp; Finance miscellaneous expenses</b> Reduced income from Symphony Homes in respect of VAT shelter monies resulting in a lower contribution to the earmarked reserve	139,300
<b>PERFM: Performance Reward Grants</b> Reduction in cost of schemes anticipated to be completed by March 2015 resulting in a reduction in funding from earmarked reserves.	-5,740
<b>SUPDF: Superannuation Deficiency Payments</b> Reduction in number of beneficiaries	-9,160
<b>COMPR: Computer Services</b> Upgrade to ICON (cash receipting) system. This expenditure will be met from an earmarked reserve.	7,200
<b>REVUE: Revenue Services</b> Increase in employee related expenses as turnover is lower than expected.	9,810
	<b>-36,240</b>

### ***Movement in Other items***

- 2.6 When we prepared our original estimate for 2014/15 we anticipated 'other items' would reduce our net budget by £1,012k, however our revised budget shows these will reduce our budget by £993k. This is a difference of £19k and can be explained below.



<b>Other Items</b>	<b>£000</b>
New Homes Bonus returned funding to grant settlement	-4
Additional Rural Areas delivery grant	-3
Reduction in interest received	2
Reduced Business Rate Income	24
	<b>19</b>

2.7 Our latest estimate of Business Rate income for the current year predicts

<b>Business Rate Retained Income</b>	<b>2014/15 At Jan 2014 Original Estimate £</b>	<b>2014/15 At Jan 2015 Latest Estimate £</b>
Billing Authority NNDR Income	13,973,821	13,973,821
LA share of NNDR income	5,589,528	5,589,528
Less Tariff	4,244,345	4,244,345
	1,345,183	1,345,183
Baseline Funding Level	1,206,225	1,206,225
<b>Retained Rates Income before levy</b>	<b>138,958</b>	<b>138,958</b>
Section 31 Grant:		
SBRR	366,681	366,681
Multiplier Cap	60,376	15,319
"New Empty" Property	8,085	8,085
"Long Term Empty" Property	8,085	8,085
Retail Relief	161,699	161,699
<b>Total Section 31 Grant</b>	<b>604,926</b>	<b>559,869</b>
<b>Less Levy*</b>	<b>371,942</b>	<b>365,584</b>
<i>*Levy paid over after end of year after audited NNDR3 submitted</i>		
<b>Total Business Rate Income to General Fund</b>	<b>371,942</b>	<b>333,244</b>
Surplus carried forward from 2013/14	15,062	30,122
<b>Total Business Rate Income to General Fund</b>	<b>387,004</b>	<b>363,366</b>
Used to fund revenue budget	-262,926	-262,926
<b>Remaining to add to earmarked reserve</b>	<b>124,078</b>	<b>100,440</b>

2.8 Based on the current position we expect to receive £100k more than the amount relied upon to fund the revenue budget in the current year. The latest estimates suggest there will be a deficit at the end of the year of £115,340 of which our share will be £46,136. This will be recovered in 2015/16.

### ***Movement in Earmarked Reserves***

- 2.9 Annex 1 shows the forecasted transfers to and from earmarked reserves compared with the restated original estimate. In summary the net position is that we anticipate adding £277k less to earmarked reserves in the current year than originally forecasted.

### ***Overall Changes***

- 2.10 A summary of the changes between the original and revised estimate is shown below:

	<b>Difference £000</b>
Committees	-38
Depreciation	-14
Other Items	19
Use of Earmarked Reserves	-277
<b>Net change</b>	<b>-310</b>

- 2.11 This shows that the Council will in effect 'save' or benefit from £310k compared with the original estimate. Therefore **instead of taking** £150k from general fund balances at the end of the year, based on these revised estimates we **would be adding** £161k to balances.

## **3 THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16**

### ***Provisional Grant Settlement***

- 3.1 The details of our grant settlement are set out in the separate report elsewhere on your agenda. The table below summarises our provisional position.

<b>Settlement Funding Assessment</b>	<b>£2,240,595</b>
Consists of:	
Revenue Support Grant	1,011,321
Business Rates Baseline (Target)	1,229,274

- 3.2 We expect to receive notification of the final settlement figures in early February. We will report our final figures to you at your meeting if possible.

### ***Future Years Government Funding***

- 3.3 No announcement has been made of our likely grant settlement for 2016/17. However the Chancellor of the Exchequer announced in the Autumn Statement that public spending would continue to fall in the next Parliament at the same rate seen over the last 5 years
- 3.4 The Budget Working Group are obviously concerned about potential further reductions and will be meeting early in the new financial year to consider the Council's future budget position.

## 4 COLLECTION FUND

4.1 The council tax is a combination of various factors, namely:

- ❖ The net spending requirements of -
  - ❖ Lancashire County Council
  - ❖ Lancashire Police and Crime Commissioner
  - ❖ Lancashire Combined Fire Authority
  - ❖ Ribble Valley Borough Council
  - ❖ The Parish Councils in our area
- ❖ Surplus/deficit on the collection fund
- ❖ Council tax base at band D equivalent

4.2 Following the introduction of the Business Rates Retention Scheme (BRRS) which is also operated via our Collection Fund we also now have a surplus or deficit in respect of Business Rates at the end of each financial year

4.3 I have already assessed the potential surplus/deficit on the collection fund. I estimate the Collection Fund will produce an overall surplus of £92,106 this year. This consists of a surplus for council tax of £207,446 and a deficit in respect of Business Rates of £115,340.

4.4 The Council Tax surplus will be shared amongst all the major precepting authorities. Our share of the surplus is £22,004.

4.5 The Business Rates deficit will be recovered from the Government, Lancashire County Council, Lancashire Combined Fire Authority and ourselves in 2015/16. Our share of the deficit will be £46,136.

4.6 A statement showing the Collection Fund is attached at Annex 2.

### ***Local Council Tax Support***

4.7 The Council agreed a Local Council Tax Support Scheme (LCTS) which came into effect on 1 April 2013 and replaced Council Tax Benefit.

4.8 Our scheme was set to cap the maximum reduction in support for working age claimants to 8.5% in 2013/14 and 12% each year thereafter.

4.9 Importantly Council Tax Support is awarded as a discount against an individual's council tax bill. This means that the cost of our council tax support scheme impacts on our tax base.

4.10 The Government have again asked authorities to allocate funding from within their grant settlement to pass on to parishes to compensate them for the impact of Council Tax Support on their tax bases. This has proved a contentious issue nationally as it is not clear just how much funding is within the grant settlement given this grant was 'rolled-up' a couple of years ago and the grant settlement has been cut significantly each year. . Some authorities have decided not to pass on any funding. We have however again allocated grants to individual parishes based upon an estimated amount of grant funding within our grant settlement. We have asked parishes to take this funding into account when setting their parish precepts.

## **Council Tax Base**

- 4.11 I have calculated the council tax base in accordance with proper practices and have allowed for the impact of our Local Council Tax Support Scheme mentioned above. Our council tax base for 2015/16 is 21,703. This compares with the current tax base of 21,391 in 2014/15.
- 4.12 A breakdown of the calculation showing the tax base by parish is included in Annex 4.

## **5 REVENUE BUDGET 2015/16**

### **Background**

- 5.1 The announcement of the Finance Settlement confirms that local government continues to bear the brunt of public spending cuts.

### **Council Tax Freeze Grant/Capping**

- 5.2 On 26 June 2013 the Chancellor of the Exchequer announced as part of the Spending Round 2013 that the government will provide additional grant funding to support councils that freeze Council Tax in both 2014/15 and 2015/16.
- 5.3 Ministers have agreed that the funding for the 2015/16 freeze grant scheme will be in the spending review baseline for future years, so there will not be a 'cliff edge' effect on council finances. Funding for 2011/12, 2013/14, 2014/15 freeze grants is already in the main local government settlement total for future years. (The 2012/13 freeze grant was a one off grant in that year only).
- 5.4 The funding offered equates to a 1.0% increase in council tax foregone and will be paid as a grant in 2015/16. For Ribble Valley we estimate this would equate to £32,380.
- 5.5 Our current Band D tax is **£140.69** (and has been since 2010/11). We are in the bottom quartile of all councils and 44<sup>th</sup> out of 201 district councils. Across Lancashire the position in 2014/15 is as follows.

<b>Average council tax for (Band D) £</b>	
<b>LANCASHIRE</b>	
Ribble Valley	140.69
Chorley	177.41
Wyre	180.16
West Lancashire	183.55
Fylde	185.90
Lancaster	199.99
South Ribble	208.38
Hyndburn	230.52
Pendle	240.38
Rosendale	253.40
Burnley	267.50
Preston	279.49

- 5.6 The Localism Act 2011 abolished Council Tax capping in England and instead introduced a power for local electorates to approve or veto excessive council tax rises. From 2012/13 onwards, an authority setting a council tax increase which exceeds principles approved by the Government alongside the local government finance settlement has been required to hold a council tax referendum. The result of a council tax referendum is binding. For 2015/16 any council proposing a council tax increase of 2% or more will need to hold a referendum.
- 5.7 It is important when deciding on our council tax level for next year to consider the amount of income any change will bring in. A 1.99% increase in our share of the Council Tax would result in a Band D amount of £143.49 ie an extra £2.80. This would generate £60,770 each year in extra revenue, compared with the freeze grant income of £32,380 per year, if members decide to freeze our council tax.

<b>Band D Tax</b>	<b>% increase</b>	<b>Income Generated</b>	<b>Income over 6 years</b>
140.69	0	32,380	194,280
141.39	0.50%	15,190	91,150
142.10	1%	30,600	183,610
142.80	1.5%	45,790	274,760
143.49	1.99%	60,770	364,610

### ***New Homes Bonus Scheme***

- 5.8 The New Homes Bonus (NHB) scheme commenced in April 2011, and match funds the additional council tax raised for new homes and empty properties brought back into use, with an additional amount for affordable homes, for the following six years. The grant is calculated based on the movement of dwellings in council tax base retrospectively October to October.
- 5.9 The New Homes Bonus grant is shared 80:20 between district and county councils in two tier areas and is un-ringfenced. The Government state that New Homes Bonus is a powerful, simple and transparent incentive for housing growth. It is paid as an unringfenced grant, which means local authorities are free to decide how to spend it. The NHB can be spent on either revenue or capital, or placed in a local authority's reserves.
- 5.10 Our provisional allocation for next year was £962,484, however we have again managed to successfully challenge the impact of council tax rebandings on our new homes bonus and I can advise that our final allocation is £968,616. We will receive this higher amount for six years, if the New Homes Bonus scheme continues in its present form.
- 5.11 The table below shows the allocations by year. You can see that we will receive each year's allocation for a six year period therefore by 2017/18 the year 1 allocation falls out.
- 5.12 You will recall last year you agreed to commit £334k of new homes bonus to fund the revenue budget.

**Use of New Homes Bonus monies**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£	£	£	£	£	£	£	£
Relates to:								
2011/12	62,046	62,046	62,046	62,046	62,046	62,046		
2012/13		117,599	117,599	117,599	117,599	117,599	117,599	
2013/14			188,053	188,053	188,053	188,053	188,053	188,053
2014/15				227,109	227,109	227,109	227,109	227,109
2015/16					373,809	373,809	373,809	373,809
2016/17						?	?	?
2017/18							?	?
2018/19								?
2019/20								
2020/21								
2021/22								
2022/23								
	<b>62,046</b>	<b>179,645</b>	<b>367,698</b>	<b>594,807</b>	<b>968,616</b>	<b>968,616</b>	<b>906,570</b>	<b>788,971</b>
Allocated to date:								
Revenue base budget	60,000	60,000	60,000	333,780	333,780	333,780	333,780	333,780
Capital	0	0	100,000	63,000	125,000	62,000	200,000	??
	60,000	60,000	160,000	396,780	458,780	395,780	533,780	333,780
Spare ie unallocated	2,046	119,645	207,698	198,027	509,836	572,836	372,790	455,191
Bal C/fwd	2,046	121,692	329,390	527,417				

5.13 From the table above you can see at the end of March 2015 we will have £527k unspent to be carried forward together with £510k unallocated out of next year's allocation.

5.14 However there continues to be great uncertainty surrounding the future of the New Homes Bonus scheme. The Shadow Communities Secretary has pledged to abolish the scheme if Labour wins the general election.

### **Council Tax Requirement**

- 5.15 As last year, we are therefore already in a position where we know our 2015/16 council tax and therefore what our budget requirement needs to be, assuming you accept the Budget Working Group's recommendation to freeze our council tax. Our Council Tax Requirement is therefore calculated as follows,

	£	£
Taxbase	21,703	
Band D	140.69	
Precept (ie amount raised from council tax)	3,053,395	3,053,395
Council Tax Surplus		22,004
Settlement Funding Assessment		2,240,595
<b>Our Maximum Net Expenditure 2015/16</b>		<b>5,315,994</b>

### **Base Budget Position**

#### **Introduction**

- 5.16 Each committee has been asked to prepare their budget on the basis of no increase in the level of spending in real terms. The budgets do include provision for price increases of 2% and the already agreed pay award of 2.2% which covers the two years, 2014/15 and 2015/16. Fees and charges have also been reviewed by committees and have been increased by at least the rate of inflation where feasible. All committees have now considered their draft budgets for next year.

#### **Provisional Base Position**

- 5.17 The provisional base position for next year as submitted to service committees is shown below, compared with the original budget for 2014/15.

	Original Estimate 2014/15 £	Original Estimate 2015/16 £
<b>Committee Expenditure</b>		
Planning & Development	578,290	583,180
Community	3,480,480	3,494,060
Health & Housing	833,090	834,360
Policy & Finance	1,869,690	2,048,260
<b>Total of Committees</b>	<b>6,761,550</b>	<b>6,959,860</b>
<b>Capital Adjustments</b>		
Less Depreciation (included in above)	-725,170	-725,860
Add Minimum Revenue Provision (MRP)	135,960	132,830
<b>Total Expenditure</b>	<b>6,172,340</b>	<b>6,366,830</b>
<b>Other Items</b>		
External Interest - Payable	13,200	11,140

	Original Estimate 2014/15 £	Original Estimate 2015/16 £
Interest - Earned	-28,790	-25,260
Council Tax Freeze Concession (re 2014/15 freeze)	-31,560	0
Localisation of Council Tax Support - Payment to Parishes	17,034	11,500
New Homes Bonus	-594,807	-968,616
<b>Business Rates</b>		
Retained Rates Income	-138,958	-330,171
Section 31 Grant for Business Rates	-604,926	-617,898
Levy payable on growth	371,942	417,186
Share of Business Rates Deficit/(Surplus)	-15,061	46,136
Transfer From/To Various Earmarked Reserves (See Annex 3)	602,729	904,902
<b>Net Expenditure</b>	<b>5,763,143</b>	<b>5,815,749</b>
Adjustment to Balances to Get to Agreed Budget	-149,646	-499,755
<b>Agreed budget for 2014/15 /Maximum Budget for 2015/16</b>	<b>5,613,497</b>	<b>5,315,994</b>

### **Comments on Next Year's Base Revenue Budget**

#### **Committee Expenditure**

- 5.18 The net effect, as shown in the above summary, is that committee has increased by £198k (before allowing for the use of earmarked reserves). The reasons for this, again, are varied and have been reported to service committees in the budget reports. In summary the main reasons for this are as follows;

Description	Variances from OE 2014/15 to OE 2015/16 £
CEXEC: Chief Executives Reduction in staffing costs due to an increase in the provision for staff turnover, reduction in hours worked within housing section, a pay award adjustment and a reduction in the amount of superannuation deficit payment due to the pension fund.	-32,690
OMDEV: Organisation and Member Development Reduction in staffing costs due to an increase in the provision for staff turnover, a pay award adjustment and a reduction in the amount of superannuation deficit payment due to the pension fund.	-9,330
OMDEV: Organisation and Member Development Reduction in depreciation costs due to the telephone system installed in 2004/05 becoming fully depreciated	-4,630

Description	Variances from OE 2014/15 to OE 2015/16
	£
<b>DISTC: District Elections</b> A budget provision has been introduced for holding the 2015 local elections, this expenditure will be funded from an earmarked reserve established for this purpose	77,750
<b>ELECT: Register of Electors</b> Increase in printing and stationery costs due to the move to individual electoral registration, expenditure to be funded from earmarked reserve established to fund additional costs involved in the move.	5,000
<b>FMISC: Policy and Finance Miscellaneous</b> Reduction in debt management expenses mainly due to the removal of the provision for revaluation of assets due in March 2015. The reduction will be offset by a reduction in the contribution from earmarked reserve.	-9,670
<b>FMISC: Policy and Finance Miscellaneous</b> Reduced income from VAT shelter money due from Symphony Homes resulting in a lower contribution to the earmarked reserve established from previous receipts	99,300
<b>PERFM: Performance Reward Grants</b> Reduced expenditure due to reducing number of approved schemes still to complete	-11,550
<b>SUPDF: Superannuation Deficiency Payments</b> Reduced expenditure due to reducing number of beneficiaries entitled to a pension	-9,270
<b>COMPR: Computer Section</b> Additional employee related expenses due to the restructure of the section which took place in 2014	5,440
<b>FSERV: Financial Services</b> Reduction in staffing costs due to an increase in the provision for staff turnover, a pay award adjustment and a reduction in the amount of superannuation deficit payment due to the pension fund.	-15,890
<b>LSERV: Legal Services</b> Reduction in budget provision for purchase of reference books resulting from a move towards to an online subscription	-10,000
<b>LSERV: Legal Services</b> Removal of the budget provision for the new burden grants income for the right to bid and the right to challenge. The reduction will be offset by a reduction in the contribution to the earmarked reserve established from previous grant payments	16,400
<b>CONTC: Contact Centre</b> Reduction in staffing costs due to an increase in the provision for staff turnover, a pay award adjustment and reduction in the amount of superannuation deficit payment due to the pension fund.	-6,830
<b>CONTC: Contact Centre</b> Reduction in depreciation costs due to the CRM system purchased in 2011/12 becoming fully depreciated	-4,450
<b>REVUE: Revenues and Benefits</b> Reduction in staffing costs due to an increase in the provision for staff turnover, a pay award adjustment and a reduction in the amount of superannuation deficit payment due to the pension fund.	-11,120
<b>CTBEN – Localised Council Tax Support Administration</b> Administration Grant income from the DCLG and DWP is reduced.	13,150
<b>HGBEN – Housing Benefits Administration</b> Administration Grant income from the DCLG and DWP is reduced.	13,150

Description	Variances from OE 2014/15 to OE 2015/16
	£
<b>CLCEM – Clitheroe Cemetery</b> Reduced income budgeted for the year on interments, exclusive burial rights, headstone foundations, plaques and maintenance of graves, based on reduced income levels in recent years.	5,030
<b>DOGWD – Dog Warden and Pest Control</b> The purchase of a new dog warden van in 2014/15 has resulted in increased depreciation being charged to this cost centre over the next five years, starting in 2015/16.	2,200
<b>VARIOUS</b> Net impact of the 2% inflation increase across income and expenditure budgets for Health & Housing Committee	-5,655
<b>HGBEN – Housing Benefits Administration</b> Savings from no longer needing to use the Civica IT fraud module from 1 April 2015.	-5,830
<b>ENVHT – Environmental Health</b> Budgeted increase in income from Environmental Protection Registration fees, based on predictions of newly liable commercial sites, and private water sampling income, based on increased levels of sampling for 2015/16 onwards to avoid future sampling backlogs.	-6,950
<b>PLANG: Planning Control and Enforcement</b> Planning fees have been reduced due to an anticipated fall in the larger planning application fees experience in recent years, also adjustment to decision notices income expected	108,150
<b>PLANG: Planning Control and Enforcement</b> Reduction in third party payments in respect of agricultural consultants and Ordnance survey costs	-8,570
<b>BLDGC: Building Control</b> Reduced income from building control fees is anticipated to continue	14,950
<b>Planning &amp; Development Committee various – net Inflation</b>	-12,090
<b>COMMD: Community Services Department</b> Reduction in Children's Trust Grant receivable from Lancashire County Council.	10,000
<b>VARIOUS: Public Conveniences</b> Reduction in supplies and service and premises related costs following the closure and sale of three public toilets (Waddington, Newton and Gisburn).	-12,710
<b>MUSEM: Castle Museum</b> Reduced budget for curatorial fees to more accurately reflect the actual payment due.	-26,110
<b>Community Committee - Various</b> Increase in net expenditure due to inflationary increases in income, offset by inflationary increase in expenditure.	26,280
	<b>193,455</b>

### **Movement of Other items**

- 5.19 When we prepared our original estimate for 2014/15 we anticipated 'other items' would reduce our net budget by £1,011,926 however our draft budget for next year anticipates these will reduce our budget by £1,455,983. This is a difference of £444k and can be explained below.

<b>Other Items</b>	<b>£000</b>
Additional New Homes Bonus	-374
Lower external interest payable & interest receivable	1
Difference in amount paid to parishes for impact of LCTS	-5
2014/15 Freeze Grant – now built in to our settlement	32
Additional Business Rate Income above our baseline	-98
<b>Net Total reduction in other items</b>	<b>-444</b>

## **6 BUSINESS RATE RETENTION SCHEME (BRRS)**

- 6.1 The calculation of our income to be retained under Business Rates remains extremely complex and difficult to estimate. We have now completed our NNDR return which we will submit to the Government by 31 January 2015. We anticipate our share of business rates for next year will be as follows:

<b>Business Rate Retained Income</b>	<b>2015/16 31 January 2015 as per NNDR1 £</b>
Billing Authority NNDR Income	14,509,476
LA share of NNDR income	5,803,790
Less Tariff	4,244,345
	1,559,445
Baseline Funding Level	1,229,274
<b>Retained Rates Income before levy</b>	<b>330,171</b>
Less Levy	417,186
Section 31 Grant:	
SBRR	399,626
Multiplier Cap	23,136
"New Empty" Property	8,118
"Long Term Empty" Property	8,118
Retail Relief	178,900
Total Section 31 Grant	617,898
<i>*Levy paid over after end of year after audited NNDR3 submitted</i>	
<b>Total Business Rate Income to General Fund</b>	<b>530,883</b>
Deficit carried forward from 2014/15	-46,136
<b>Total Business Rate Income to General Fund</b>	<b>484,747</b>
Used to fund revenue budget	-262,926
<b>Remaining to add to earmarked reserve</b>	<b>221,821</b>

6.2 This shows that **based on our NNDR1 return** we expect to retain business rates income of £484,747

***Volatility and Uncertainty***

6.3 Due to the volatility and also the complexity of how the Business Rates Retention scheme works and further uncertainties surrounding issues such as appeals and growth estimates these figures should be treated with caution.

6.4 How much we should rely on to support our base revenue budget is a matter for professional judgement and has been considered by the BWG who have recommended that we use the same level of Business Rate Income as in the current year of £263k.

6.5 As shown above we estimate we could receive £485k next year. If you agree with the BWG recommendation I would recommend we add the balance (£485k-£263k=£222k) of the total estimated income to the business rates volatility earmarked reserve.

**7 OTHER BUDGET ITEMS**

***Refuse Collection & Recycling***

7.1 As you are aware the County Council will cease paying recycling credits on 31 March 2015. They have however offered a Cost Sharing agreement to Ribble Valley which was considered by Community Committee on 13 January 2015. Committee resolved that they were minded to accept the Cost Sharing offer subject to agreement of terms. The financial impact of the offer compared with our proposed budget is as follows:

	<b>RCOLL Refuse Collection Service</b>	<b>PAPER Waste Paper and Card Collection</b>	<b>RECYC Recycling &amp; Waste Awareness</b>	<b>TOTAL</b>
<b>Costs as Reported to Service Committees</b>	<b>1,151,240</b>	<b>67,550</b>	<b>65,360</b>	<b>1,284,150</b>
Removal of Recycling Credits	279,160	70,260	6,930	356,350
Addition of Cost Sharing income	-326,580	-103,760		-430,340
Penalty Charge for RVBC Retaining Waste Paper and Card		98,900		98,900
<b>Subtotal of Adjustments</b>	<b>-47,420</b>	<b>65,400</b>	<b>6,930</b>	<b>24,910</b>
<b>Amended Service Costs</b>	<b>1,103,820</b>	<b>132,950</b>	<b>72,290</b>	<b>1,309,060</b>

7.2 We have written to LCC accepting their offer subject to a satisfactory agreement being reached.

7.3 **I would recommend that the budget impact shown above of £24,910 is funded from our New Homes Bonus allocation.** Members need to be aware that the County Council have informed all districts that Cost Sharing will cease in March 2018.

#### ***Tour of Britain Cycle Race***

7.4 As previously agreed Ribble Valley will co-host a stage of the Tour of Britain cycle race with Pendle BC in September 2015. The estimated cost of £90,000 agreed by this Committee at your October meeting needs to be included in our budget for next year. This amount is not included in the Committee estimates above.

7.5 I would recommend that this is funded from our earmarked reserves as follows:

	<b>Tour of Britain £</b>
Budgeted Cost	<b>90,000</b>
Funded by:	
Use of Concessionary Travel Earmarked Reserve – no longer required	-40,026
Use of Tourism element of Remaining Performance Reward Grant Earmarked Reserve	-49,974
<b>Budgeted Cost</b>	<b>90,000</b>

## **8 REVENUE BUDGET 2016/17 AND BEYOND**

8.1 In addition to considering our budget for 2015/16 we need to be conscious of the challenges also facing us the year after.

8.2 As stated earlier, we have no advance notice of our future settlements. However it is widely believed that public sector spending cuts may continue for another five years whichever party is in government.

## **9 BUDGET WORKING GROUP**

### ***Background***

9.1 The Budget Working Group has again met frequently throughout the year to consider the Council's financial position.

9.2 Recent meetings have concentrated on reviewing the overall budget for 2015/16. After considering our budget forecast the Budget Working Group suggested a number of key considerations as a recommended approach to addressing the budget shortfall.

9.3 After reviewing each of these, the Budget Working Group have made a number of recommendations in order to achieve an affordable budget.

## ***Budget Recommendations***

1. Whether our council tax should be increased for 2015/16. The extra revenue gained by a 1.99% increase would be £61k each year. If we freeze our council tax we would receive £32k via freeze grant.

**The BWG recommended we freeze our council tax for 2015/16.**

2. How much of general fund balances should be used to finance the revenue budget shortfall? As per our MTFS we have estimated using £200k in 2015/16 to support revenue.

**The BWG considered this and recommend that a maximum of £150k should be budgeted to be used**, recognising that we have doubled the savings expected from staff turnover from 2% to 4% (based on recent experience) which equates to approx. an extra £114k and this may not materialise.

3. Examination of our base budget and previous underspends/overspends.

**These have been incorporated in to the draft committee budget reports**

4. Examination of how much business rates growth we can realistically expect to rely on

As set out earlier in the report, we have now completed our NNDR1 return for 2015/16 and expect to receive around £485k next year. **The BWG recommend using £263k of this to support the revenue budget.**

5. How much New Homes Bonus we can use to support the revenue budget.

We have received notification on 30 January that our final NHB allocation for next year will be £969k. We have already committed using £333k each year to support revenue. We need to consider how much of the balance (£635k) should be further used for revenue. **The BWG recommend we use a total amount of £651k to support our base revenue budget.**

## **10 ROBUSTNESS OF THE ESTIMATES AND BALANCES AND RESERVES**

### ***Introduction***

- 10.1 There is a legal requirement under Section 25 of the Local Government Act 2003 for the Council's Section 151 officer to report on the robustness of the budget and the adequacy of the Council's balances and reserves.

**Robustness of the Budget**

10.2 In order to ensure the Council sets a robust budget we follow the processes below;

- ❖ Accountancy staff carry out monthly budget monitoring in conjunction with budget holders and regularly report the outcomes to Corporate Management Team
- ❖ Service Committees also receive regular budget monitoring reports
- ❖ Heads of Service are given responsibility for managing their budgets
- ❖ We prepare our financial plans using a base budget concept whereby any increases/reductions in the level of services are considered over and above the base budget and approval must be sought/virements requested
- ❖ We have a Budget Working Group consisting of members and the Council's Corporate Management Team which meets on a regular basis to make recommendations to officers and service committees in order to maintain a high level of control over our financial position and ensure we manage our finances strategically and effectively.
- ❖ We prepare three year budget forecasts and also a Medium Term Financial Strategy which considers our budget pressures in the medium to longer term

Budget Area	Measures Taken
Future/Current pressures	<p><b>Ongoing cost of Planning Appeals:</b></p> <ul style="list-style-type: none"> <li>• This includes the cost of defending appeals by our own staff and also the engagement of consultants and barristers to act on our behalf There are a number of appeals which are current.</li> <li>• This also includes costs awarded against the Council by the Planning Inspector at appeal stage, both settled and outstanding. There are a number of cost award claims which are still outstanding and indeed there may be future cost decisions against the Council.</li> </ul> <p><b>Refuse Collection/Recycling</b> As mentioned above recycling credit payments from LCC cease on 31 March 2015. The Council have received an offer from LCC to join their Cost Sharing Agreement. Community Committee considered this offer at their meeting on 13 January 2015 and resolved that we would be minded to enter such an agreement dependent upon agreement of terms. The impact on our revenue budget is a net cost of £25k. The County Council have however already given notice that Cost Sharing will cease in March 2018. Under this agreement we will receive £430k which from 2018/19 would be lost.</p> <p><b>Business Rate Retention Scheme</b> Due to the volatility and also the complexity of how the Business Rates Retention scheme works and further uncertainties surrounding issues such as appeals and growth estimates I recommend not relying on the full</p>

	<p>amount of anticipated income for next year. I would recommend we add the balance of the total estimated income to the business rates volatility earmarked reserve.</p> <p><b>New Homes Bonus</b> Our allocation for next year will be £969k. We have already committed using £333k each year to support revenue. The BWG recommend we use a further £317k to support our base budget resulting in a total amount of £651k. I must stress that there continues to be considerable uncertainty surrounding the future of the New Homes Bonus scheme, whichever political party with the forthcoming General Election.</p> <p><b>Income Streams</b> The income share from the VAT shelter continues to decline and whilst this funding has been used to date to support the capital programme and not been relied upon to fund the revenue budget it is a cause for some concern.</p>
Consideration of Inflation and Interest Rates	<p>Inflation has been added to appropriate budgets at 2% and the agreed pay award for 2015/16 has been reflected in the committee estimates.</p> <p>The prospects for interest rates are regularly reviewed. Currently base rates are forecasted to remain at 0.5% for 2015/16</p>
Savings Considerations	<p>All saving proposals are examined to ensure they are realistic and sustainable before they are accepted. Furthermore they are monitored closely throughout the year once the budget has been set to ensure they are achieved.</p>
Use of reserves and balances	<p>Careful consideration is given to the use of reserves and balances when setting the budget to ensure that future budgets are sustainable.</p>

- 10.3 I am confident with all these measures in place that the Council continues to manage its finances to a high standard and prepares robust budget plans.

### ***Adequacy of Reserves***

- 10.4 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 10.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued Local Authority Accounting Panel (LAAP) bulletin 99 in July 2014 regarding Local Authority Reserves and Balances. This replaced bulletin 77 and gives important guidance to local authorities.

10.6 *CIPFA guidance states that:* when reviewing their medium term financial plans and preparing their annual budgets local authorities should consider the establishment and maintenance of reserves. These can be held for three main purposes:

- ❖ a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- ❖ a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- ❖ a means of building up funds, often referred to as earmarked reserves to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

10.7 In order to assess the adequacy of unallocated general reserves when setting the budget, it is crucial to take account of the strategic, operational and financial risks facing the authority. The assessment of risks should include external risks, such as flooding, as well as internal risks, for example, the ability to deliver planned efficiency savings.

### **General Fund Balances**

10.8 At this stage general fund balances are estimated as follows:

	<b>£000</b>
Opening Balance 1 April 2014	2,058
Estimated Amount to be added to Balances in 2014/15	161
<b>Estimated Balances in Hand 31 March 2015</b>	<b>2,219</b>

10.9 The level of balances to retain is a matter of professional judgement but should be set in the context of the authority's medium term financial strategy and the risks facing the authority.

10.10 My view, especially bearing in mind our record of strong budgetary control, is that the minimum level of balances we should hold is £700,000. This more importantly is the figure that you have previously agreed in the Medium Term Financial Strategy and is recommended in the latest version elsewhere on the agenda.

10.11 Bearing this in mind and our previous good record in achieving savings in the revenue budget as the year progresses my judgement is that in 2015/16 the maximum amount to be used to fund recurring expenditure should be no more than £200,000. This is based upon our sound system of financial control and our recent track record of underspendings during the year.

### **Earmarked Reserves**

10.12 Annex 3 shows the Council's earmarked reserves together with any movements forecast for 2014/15 and the 2015/16 financial year.

10.13 The earmarked reserves are used for mainly supporting the revenue budget but are also used to fund the capital programme. They are judged to be adequate to meet the commitments and forecast expenditure facing the Council..

## 11 BUDGET WORKING GROUP RECOMMENDED REVENUE BUDGET 2015/16

11.1 If you agree to the Budget Working Group's recommendations, the resultant budget for 2015/16 is set out below. This would still leave £2.069m in general fund balances at the end of March 2016

	Original Estimate 2014/15 £	Original Estimate 2015/16 £
<b>Committee Expenditure</b>		
Planning & Development	578,290	583,180
Community	3,480,480	3,518,970
Health & Housing	833,090	834,360
Policy & Finance	1,869,690	2,138,260
<b>Total of Committees</b>	<b>6,761,550</b>	<b>7,074,770</b>
<b>Capital Adjustments</b>		
Less Depreciation (included in above)	-725,170	-725,860
Add Minimum Revenue Provision (MRP)	135,960	132,830
<b>Total Expenditure</b>	<b>6,172,340</b>	<b>6,481,740</b>
<b>Other Items</b>		
External Interest - Payable	13,200	11,140
Interest - Earned	-28,790	-25,260
Council Tax Freeze Grant (re 2014/15 freeze)	-31,560	0
Council Tax Freeze Grant (re 2015/16 freeze)	0	-32,380
Localisation of Council Tax Support - Payment to Parishes	17,034	11,500
New Homes Bonus	-594,807	-968,616
<b>Business Rates</b>		
Retained Rates Income	-138,958	-330,171
Section 31 Grant for Business Rates	-604,926	-617,898
Levy payable on growth	371,942	417,186
Share of Business Rates Deficit/(Surplus)	-15,061	46,136
Transfer From/To Various Earmarked Reserves (See Annex 3)	602,729	472,617
<b>Net Expenditure</b>	<b>5,763,143</b>	<b>5,465,994</b>
Adjustment to Balances to Get to Agreed Budget	-149,646	-150,000
<b>Agreed budget for 2014/15 /Maximum Budget for 2015/16</b>	<b>5,613,497</b>	<b>5,315,994</b>

## 12 BUDGET AND COUNCIL TAX REQUIREMENT

- 12.1 We are required as a billing authority, to make certain calculations regarding the budget and council tax requirement. Obviously the calculation is based upon the information set out above.

<b>BUDGET AND COUNCIL TAX REQUIREMENT</b>	
	<b>£</b>
RVBC Net Budget	5,315,994
Plus Parish Precepts	363,992
	<b>5,679,986</b>
Less - Settlement Funding Assessment	-2,240,595
<b>Net Requirement Before Adjustments</b>	<b>3,439,391</b>
Council Tax Surplus	-22,004
<b>Council Tax Requirement (Including Parishes)</b>	<b>3,417,387</b>

## 13 UPDATED THREE YEAR BUDGET FORECAST

- 13.1 I have updated the three year forecast assuming the above budget for 2015/16 is agreed. The Medium Term Financial Strategy (MTFS) is reported elsewhere on the agenda and shows our position in more detail.
- 13.2 Our MTFS is the Council's key financial planning document. It aims to provide the council with an assurance that our spending plans are affordable over the Medium Term (3 year period)
- 13.3 The forward projections included within our MTFS are based upon our core base budget and capital programme. As you will appreciate these will change as we progress through 2015/16 to reflect the very latest income and expenditure projections
- 13.4 I have assumed we will rely on the same level of income from business rates and the New Homes Bonus throughout the forecast as currently ie £263k and £676k.
- 13.5 I have assumed ongoing reductions of 10% in Government Funding for each year in our forecast ie 2016/17, 2017/18 and 2018/19. I have included the council tax freeze grant as income for each year following the Government's assurance that we will receive this amount as part of our baseline funding going forward.
- 13.6 In terms of council tax levels I have included a 2% increase each year which would take our Band D tax to £149.30 by 2018/19. Clearly the decision on our council tax level for will be taken as part of each year's budget setting round.
- 13.7 This results in a forecast for the next three years of:

### Three Year Budget Forecast

	2016/17		2017/18		2018/19	
	£		£		£	
Net Expenditure	6,977,000		7,181,591		7,819,083	
Interest Receipts	-26,000		-40,000		-60,000	
Use of Superannuation reserve	-36,175		-36,175		-36,175	
Council Tax Freeze grant re 2015/16	-32,380		-32,380		-32,380	
Use of Business Rate Growth	-262,926		-262,926		-262,926	
Use of New Homes Bonus	-676,065		-676,065		-676,065	
Use of Balances	-200,000		-200,000		-200,000	
<b>Reductions in Expenditure Required</b>	<b>-581,311</b>		<b>-878,558</b>		<b>-1,579,672</b>	
<b>Budget Requirement</b>	<b>5,162,143</b>		<b>5,055,487</b>		<b>4,971,865</b>	
Government Funding	2,016,536	assume 10% reduction on 15/16	1,814,882	assume 10% reduction on 16/17	1,633,394	assume 10% reduction on 17/18
Coll Fund Deficit/(Surplus)	0		0		0	
<b>Council Tax Requirement</b>	<b>3,145,608</b>	<b>increase</b>	<b>3,240,605</b>	<b>increase</b>	<b>3,338,471</b>	<b>increase</b>
Tax Base	21,920	1%	22,139	1%	22,361	1%
Band D Council Tax+A4	143.50	2%	146.37	2%	149.30	2%
<b>Effect of above on General Fund Balances</b>						
<b>General Fund Balances</b>	<b>2016/17</b>		<b>2016/17</b>		<b>2016/17</b>	
	£		£		£	
Brought Forward	2,069,383		1,869,383		1,669,383	
Used	-200,000		-200,000		-200,000	
Carried Forward	1,869,383		1,669,383		1,469,383	

13.8 The above forecast shows that if our estimates are correct the amount required to balance our budget will be significant, even after the use of balances and also supporting our revenue budget via the use of our new homes bonus by £676k each year. **For 2016/17 the budget gap would be £581k, 2017/18 £879k and 2018/19 £1.580m.** However any forward projections of our income and expenditure are always difficult. This has proved more so than ever because of the uncertainties around Business Rates, New Homes Bonus and the outcome of the general election in May.

13.9 The Budget Working Group will continue to review the Budget Forecast as we enter the next financial year.

## 14 ILLUSTRATIVE TOTAL COUNCIL TAX AT BAND D

- 14.1 Finally I have shown below our anticipated total Band D council tax assuming a zero percentage increase for ourselves, a 1.95% increase for Lancashire Combined Fire Authority and a 1.99% increase for Lancashire County Council and the Police and Crime Commissioner for Lancashire. I must stress these are indicative figures at this stage.

	Meeting Date to agree council tax	Actual Band D Council Tax 2014/15 £	Estimated Band D Council Tax 2015/16 £	%
Ribble Valley		140.69	140.69	0
Parishes (average)		16.81	16.77	-0.24
Lancashire County Council	12 Feb 15	1,107.74	1,129.78	1.99
Police and Crime Commissioner for Lancashire	Feb 15	155.96	159.06	1.99
Lancashire Combined Fire Authority	16 Feb 15	63.65	64.89	1.95
		<b>1,459.88</b>	<b>1,487.02</b>	<b>1.7</b>

## 15 RECOMMENDED THAT COMMITTEE

- 15.1 Approve the revised budget for 2014/15.
- 15.2 Approve the Budget Working Group's recommendations and set a budget and council tax requirement for 2015/16 as set out in Section 12.1.
- 15.3 Recommend the budget and council tax requirement to the Full Council meeting on 3 March 2015.

DIRECTOR OF RESOURCES  
/JP/AC  
2 FEBRUARY 2015

**SPECIAL POLICY & FINANCE COMMITTEE  
ANALYSIS OF TRANSFERS TO AND FROM EARMARKED RESERVES**

	<b>Original Estimate 2014/15 £</b>	<b>Revised Estimate 2014/15 £</b>
Local Recreation Grants Fund	0	-8,960
Elections Fund	21,450	22,840
Building Control Fund	1,770	3,770
Capital	0	3,080
Fleming VAT Claim	0	10,420
Post LSVT	-36,175	-36,175
Performance Reward Grant	-23,510	-17,770
Refuse Collection	0	-470
VAT Shelter Reserve	279,300	140,000
Revaluation of Assets Reserve	-8,000	-8,000
Clean Air Reserve	-480	-480
Equipment Reserve	0	-23,610
Land Charges Reserve	0	-4,670
Pendle Hill User Reserve	0	-3,450
Planning Reserve	0	-16,580
Promotional Activities Reserve	0	-12,110
Crime Reduction Partnership Reserve	-25,580	-12,230
Exercise Referral Reserve	-7,550	0
New Homes Bonus Reserve	261,027	261,026
Core Strategy Reserve	0	-70,250
Housing Related Grants Reserve	0	-25,250
Business Rates Volatility Reserve	124,077	100,439
Community Right to Bid/Challenge	16,400	16,400
Grant Funded Sports Development	0	-1,500
Inspire III Reserve	0	-7,130
Individual Electoral Registration Reserve	0	16,660
<b>Net Movement</b>	<b>602,729</b>	<b>326,000</b>

**SPECIAL POLICY & FINANCE COMMITTEE  
COLLECTION FUND STATEMENT**

	Original 2014/15 £	Revised 2014/15 £
<b>Expenditure</b>		
Deficit Brought Forward:		
Council Tax	0	20,747
Business Rates	0	192,002
Council Tax Precepts:		
Lancashire County Council	23,695,666	23,695,666
Police & Crime Commissioner for Lancashire	3,336,140	3,336,140
Lancashire Combined Fire Authority	1,361,537	1,361,537
Ribble Valley incl Parishes	3,369,132	3,369,132
Allocation of Council Tax Surplus for Year:		
Ribble Valley	157	228
Lancashire County Council	1,083	1,083
Lancashire Combined Fire Authority	63	63
Police & Crime Commissioner for Lancashire	152	152
Allocation of Business Rates Surplus:		
Central Government	37,653	37,653
Ribble Valley	30,122	30,122
Lancashire County Council	6,777	6,777
Lancashire Combined Fire Authority	753	753
Cost of Collecting NNDR	87,901	87,901
Distribution of Business Rates:		
Central Government	6,986,911	6,986,911
Ribble Valley	5,589,528	5,589,528
Lancashire County Council	1,257,644	1,257,644
Lancashire Fire Authority	139,738	139,738
Enterprise Zone	10,008	10,008
Transitional Protection Payments	0	0
Overpayments of council tax benefit		15,592
NNDR - Bad Debts Provision	75,637	75,637
NNDR - Appeals Provision	142,242	142,242
Council Tax - Bad Debts Provision	240,019	75,000
CT Benefit Subsidy paid to RVBC		
	<b>46,368,863</b>	<b>46,432,256</b>
<b>Income</b>		
Surplus Brought Forward:		
Council Tax	1,455	0
Business Rates	75,305	0
Share of Deficit:		
Lancashire County Council		
Police & Crime Commissioner for Lancashire		

**SPECIAL POLICY & FINANCE COMMITTEE  
COLLECTION FUND STATEMENT**

	Original 2014/15 £	Revised 2014/15 £
Lancashire Combined Fire Authority		
Ribble Valley		
Council Tax Income	32,002,494	32,078,041
Council Tax Benefits		4,745
Transitional Protection Payments due to the authority	65,436	51,067
Business Rates	14,224,173	14,390,509
	<b>46,368,863</b>	<b>46,524,362</b>
Surplus/(Deficit) carried forward		
<b>CTAX - Surplus/Deficit) Carried Forward</b>	<b>0</b>	<b>207,446</b>
<b>NNDR - Surplus/Deficit) Carried Forward</b>	<b>0</b>	<b>-115,340</b>
<b>Total Surplus/(Deficit)</b>	<b>0</b>	<b>92,106</b>

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2014	To be added/(taken) in 2014/15	Balance at 31 March 2015	To be added/(taken) in 2015/16	Balance at 31 March 2016
	£	£	£	£	£
Local Recreation Grants Fund	20,546	-8,960	11,586	0	11,586
Elections Fund	56,306	22,840	79,146	-55,870	23,276
Audit Reserve Fund	12,335	0	12,335	0	12,335
Building Control Fund	-103,459	3,770	-99,689	3,020	-96,669
Capital	653,919	-58,850	595,069	-115,000	480,069
Insurance	16,748	0	16,748	0	16,748
Christmas Lights/RV in Bloom	1,186	0	1,186	0	1,186
Community Enhancement	11,419	0	11,419	0	11,419
IT Equipment	69,903	0	69,903	0	69,903
Conservation Reserve	6,210	0	6,210	0	6,210
Concessionary Travel	40,026	0	40,026	-40,026	0
Fleming VAT Claim	239,926	-5,030	234,896	-24,600	210,296
Repairs and Maintenance	29,299	0	29,299	0	29,299
Post LSVT	365,125	-36,175	328,950	-36,175	292,775
Market Town Enhancement	8,372	0	8,372	-7,000	1,372
Performance Reward Grant	302,874	-17,770	285,104	-61,934	223,170
Refuse Collection	93,323	-470	92,853	0	92,853
Restructuring Reserve	227,541	0	227,541	0	227,541
VAT Shelter Reserve	1,511,441	54,000	1,565,441	-237,000	1,328,441
Revaluation of Assets Reserve	8,000	-8,000	0	2,000	2,000
Clean Air Reserve	3,161	-480	2,681	-480	2,201
Equipment Reserve	84,096	-23,610	60,486	0	60,486
Forest of Bowland Reserve	29,646	0	29,646	0	29,646
Invest to Save Fund	250,000	0	250,000	0	250,000

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2014	To be added/(taken) in 2014/15	Balance at 31 March 2015	To be added/(taken) in 2015/16	Balance at 31 March 2016
	£	£	£	£	£
Land Charges Reserve	11,000	-4,670	6,330	0	6,330
Pendle Hill User Reserve	16,703	-3,450	13,253	0	13,253
Planning Reserve	178,020	-16,580	161,440	0	161,440
Promotional Activities Reserve	12,110	-12,110	0	0	0
Crime Reduction Partnership Reserve	29,950	-12,230	17,720	-17,720	0
Housing Benefit Reserve	100,000	0	100,000	0	100,000
Wellbeing and Health Equality	47,428	0	47,428	0	47,428
Exercise Referral Reserve	6,433	0	6,433	0	6,433
Clitheroe Cemetery Reserve	3,640	0	3,640	0	3,640
New Homes Bonus Reserve	339,418	198,026	537,444	167,551	704,995
Core Strategy Reserve	83,100	-70,250	12,850	0	12,850
Housing Related Grants Reserve	26,202	-25,250	952	0	952
Business Rates Volatility Reserve	212,704	100,439	313,143	221,821	534,964
Community Right to Bid/Challenge	29,822	16,400	46,222	0	46,222
Grant Funded Sports Development	1,500	-1,500	0	0	0
Human Resource Development	27,500	0	27,500	0	27,500
Whalley Moor Reserve	4,970	0	4,970	0	4,970
Inspire III Reserve	7,131	-7,131	0	0	0
Individual Electoral Registration Reserve	17,024	16,660	33,684	-14,570	19,114
	<b>5,092,598</b>	<b>99,619</b>	<b>5,192,217</b>	<b>-215,983</b>	<b>4,976,234</b>
Used for revenue budget		<b>326,000</b>		<b>472,617</b>	
Used for capital programme		<b>-226,381</b>		<b>-688,600</b>	

**SPECIAL POLICY AND FINANCE COMMITTEE  
PARISH PRECPTS 2015/16**

<b>Band D</b>		<b>Parish</b>	<b>Parish</b>	<b>Parish</b>	<b>Band D</b>
<b>Equiv</b>	<b>Parish</b>	<b>2015/16</b>	<b>2014/15</b>	<b>Increase/ Decrease</b>	<b>Equivalent Tax 2015/16</b>
<b>Tax Base</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
440	Aighton, Bailey & Chaigley	4,750.00	4,750.00	0.00	10.80
192	Balderstone	1,190.00	1,245.00	-55.00	6.20
352	Barrow	6,000.00	N/A	N/A	17.05
197	Bashall Eaves, Great Mitton & Little Mitton	1,202.00	1,105.00	97.00	6.10
1,993	Billington & Langho	13,500.00	15,000.00	-1,500.00	6.77
473	Bolton by Bowland, Gisburn Forest & Sawley	9,898.00	15,000.00	-5,102.00	20.93
67	Bowland Forest (High)	2,133.00	2,166.80	-33.80	31.84
83	Bowland Forest (Low)	1,200.00	1,200.00	0.00	14.46
82	Bowland with Leagram	187.00	500.00	-313.00	2.28
367	Chatburn	10,085.00	9,570.00	515.00	27.48
483	Chipping	7,150.00	5,900.00	1,250.00	14.80
499	Clayton le Dale	2,781.00	2,929.00	-148.00	5.57
4,797	Clitheroe	92,558.00	87,417.00	5,141.00	19.29
45	Dinckley	0.00	0.00	0.00	0.00
51	Downham	0.00	0.00	0.00	0.00
105	Dutton	479.00	496.00	-17.00	4.56
194	Gisburn	3,877.00	3,733.00	144.00	19.98
355	Grindleton	7,500.00	7,500.00	0.00	21.13
44	Horton	0.00	0.00	0.00	0.00
72	Hothersall	750.00	750.00	0.00	10.42
2,622	Longridge	59,558.00	58,295.00	1,263.00	22.71
8	Mearley	0.00	0.00	0.00	0.00
986	Mellor	14,300.00	14,300.00	0.00	14.50
20	Newsholme	0.00	0.00	0.00	0.00
145	Newton	2,456.00	2,424.00	32.00	16.94
106	Osbaldeston	741.00	700.00	41.00	6.99
43	Paythorne	0.00	0.00	0.00	0.00
103	Pendleton	1,266.00	1,263.00	3.00	12.29
266	Ramsgreave	1,889.00	1,932.00	-43.00	7.10
547	Read	7,838.00	7,603.00	235.00	14.33
651	Ribchester	7,586.00	7,477.00	109.00	11.65
216	Rimington & Middop	3,946.00	4,000.00	-54.00	18.27
516	Sabden	14,287.00	14,676.00	-389.00	27.69
171	Salesbury	4,740.00	4,800.00	-60.00	27.72
493	Simonstone	8,200.00	8,000.00	200.00	16.63
147	Slaidburn & Easington	1,750.00	1,750.00	0.00	11.90
160	Thornley with Wheatley	1,500.00	1,500.00	0.00	9.38
37	Twiston	0.00	0.00	0.00	0.00
447	Waddington	13,500.00	13,500.00	0.00	30.20

**SPECIAL POLICY AND FINANCE COMMITTEE  
PARISH PRECPTS 2015/16**

<b>Band D</b>		<b>Parish</b>	<b>Parish</b>	<b>Parish</b>	<b>Parish</b>	<b>Band D</b>
<b>Equiv</b>	<b>Parish</b>	<b>2015/16</b>	<b>2014/15</b>	<b>Increase/ Decrease</b>	<b>2015/16</b>	<b>Equivalent Tax 2015/16</b>
<b>Tax Base</b>		<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
356	West Bradford	6,200.00	6,070.00	130.00		17.42
1,474	Whalley	31,353.00	31,029.00	324.00		21.27
1,076	Wilpshire	15,147.00	15,051.00	96.00		14.08
179	Wiswell	2,495.00	6,000.00	-3,505.00		13.94
43	Worston	0	0	0.00		0.00
<b>21,703</b>		<b>363,992.00</b>	<b>359,631.80</b>	<b>-1,639.80</b>		