

meeting date: 28 FEBRUARY 2017

title: REVENUE BUDGET 2017/18 AND CAPITAL PROGRAMME 2017/18 –  
2021/22 AND SETTING THE COUNCIL TAX FOR EACH CATEGORY OF  
DWELLING IN THE COUNCIL'S AREA FOR 2017/18

submitted by: DIRECTOR OF RESOURCES

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1. PURPOSE

- 1.1. To set the budget for 2017/18 and to set the different amounts of council tax for different parts of the area where special items apply (Parish precepts).

2. THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES

- 2.1. The Prudential Code for Capital Finance and the prudential indicators are set out in Annex 1.
- 2.2. The Code and the indicators are intended to inform the Council, in setting the capital programme, that the programme is both affordable and sustainable. The indicators also include the maximum and operational borrowing levels for the Council.

3. CAPITAL PROGRAMME

- 3.1. At their meeting on 7 February 2017, Policy and Finance Committee considered the revised capital programme for 2016/17 and also a five year capital programme for the years 2017/18 to 2021/22.
- 3.2. The Budget Working Group have reviewed the Council's forward capital plans in order to produce an achievable and affordable programme. Heads of Services were asked to submit new bids which were considered by service committees. The Council's Corporate Management Team considered the draft programme and made recommendations to the Budget Working Group.
- 3.3. The result of their deliberations is a revised capital programme for 2016/17 totalling £961,705, and a capital programme for the years 2017/18 to 2021/22 totalling £5,339,250 which is shown in Annex 2

4. MINIMUM REVENUE PROVISION

- 4.1. The Council is required each year to agree a Minimum Revenue Provision (MRP) Policy Statement setting out how the Council will make a charge to revenue in respect of previous capital expenditure. This Policy Statement is also set out in Annex 1.

5. REVENUE BUDGET

**2016/17 Revised**

- 5.1. We originally budgeted to spend £5.319 million (before use of balances). The revised estimate is that net expenditure will be lower at £5.127 million. Details are shown in summary in Annex 3. The revised budget for 2016/17 is:

	Revised Estimate 2016/17 £
Net Committee Budget	6,853
<b>Capital Adjustments</b>	
Less Depreciation (included in above)	-856
Add Minimum Revenue Provision (MRP)	134
<b>Total Expenditure</b>	<b>6,131</b>
<b>Other Items</b>	
External Interest Payable	9
Interest Earned	-21
Rural Areas Delivery Grant	-107
Localisation of Council Tax Support – grant paid to parishes	6
Transition Grant	-20
New Homes Bonus	-1,367
Income from Business Rates	-375
<b>Earmarked Reserves</b>	
Transfer From/To Various Funds	871
<b>Net Expenditure</b>	<b>5,127</b>
Adjustment to Balances to Get to Agreed Budget	-8
<b>Agreed budget for year</b>	<b>5,119</b>

5.2. We estimate this will leave general fund balances at 31 March 2017 of £2,671,000.

#### **Local Government Grant Settlement**

5.3. The Provisional Grant Settlement was announced on 15 December 2016. A full report detailing the provisional settlement was submitted to the Special Policy and Finance Committee meeting on 7 February 2017. The Final Settlement is not expected to be debated until Wednesday 22 February 2017. This is significantly later than usual and we will not know our final grant settlement until the announcement is made.

<b>Provisional Settlement Funding Assessment</b>		<b>£1.569143m</b>
Consists of:		
Revenue Support Grant		0.304319m
Business Rates Baseline (Target)		1.264824m

#### **Forecast Budget 2017/18**

5.4. Special Policy and Finance Committee have recommended a net budget of £4,903,957. Details are shown in Annex 3. This results in the following budget requirement:

	£
Borough Requirement	4,903,957
Parish Council Requirements	405,278
<b>Total Borough and Parish Requirements</b>	<b>5,309,235</b>

## 6. ROBUSTNESS OF THE ESTIMATES AND BALANCES AND RESERVES

### ***Robustness of the Estimates***

- 6.1. It is a specific requirement of section 25 of the Local Government Act 2003 for the chief financial officer to report on the robustness of the budget and the adequacy of the Council's balances and reserves.
- 6.2. I can confirm that throughout the budget process all practical steps have been taken to identify and make budgetary provision for all likely commitments facing the Council in 2017/18. The preparation of the base committee estimates remains a vital part of ensuring the robustness and financial integrity of the budget and ensures that all service committees are aware of the resource allocation and budgetary pressures facing their service areas. My report to Special Policy and Finance Committee set out the various processes followed to ensure the Council's estimates are robust.

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

- 6.3. A reasonable level of balances is needed to provide funds to:
- ❖ Finance levels of inflation in excess of those provided in the budget
  - ❖ Provide for unforeseen expenditure
  - ❖ Finance expenditure in advance of income
  - ❖ Allow flexibility as the year progresses
- 6.4. The availability of balances has increased in importance since the Local Government Finance Act 1982 revoked local authorities' power to issue supplementary precepts.

### ***General Fund Balances***

- 6.5. At this stage general fund balances are estimated as follows:

	£000
Opening Balance 1 April 2016	2,679
Estimated Amount to be taken from Balances in 2016/17	-8
<b>Estimated Balances in Hand 31 March 2017</b>	<b>2,273</b>
Estimated Amount to be taken from Balances in 2017/18	-250
<b>Estimated Balances in Hand 31 March 2018</b>	<b>2,023</b>

- 6.6. 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.

- 6.7. When the medium term financial strategy was recently reviewed the minimum level of balances to retain was confirmed to be £700,000 bearing in mind our record of strong budgetary control.
- 6.8. In 2017/18 we estimate that £250,000 will be taken from balances to support the budget.

**Earmarked Reserves**

- 6.9. The Council holds a number of reserves earmarked for specific purposes. The movements in these reserves forecast for 2016/17 and 2017/18 were reported to Special Policy and Finance Committee.
- 6.10. The earmarked reserves are also judged to be adequate to meet the commitments and forecast expenditure facing the Council.

**7. COLLECTION FUND**

**Collection Fund surplus/deficit**

- 7.1. The position on the collection fund has been estimated and details are shown in Annex 4.
- 7.2. I forecast that there will be a surplus on the collection fund for Council Tax at 31 March 2017 of £572,673 and a surplus of £113,422 for Business Rates. The equivalent shares will be paid to the appropriate authorities in 2017/18.

**8. RECOMMENDED THAT COUNCIL**

- 8.1. Approve the following submitted by the Policy and Finance Committee:
  - a) The revised revenue estimates for 2016/17 and the revenue estimates for 2017/18.
  - b) The revised capital programme for 2016/17 and the five year capital programme for 2017/22.
- 8.2. Approve the prudential indicators, borrowing limits and MRP Policy Statement as set out in Annex 1.
- 8.3. Note that, under delegated powers in accordance with section 84 of the Local Government Act 2003, the Council has determined the following amounts for 2017/18, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), as its council tax base for the year.
  - a) 22,481 being the amount of its council tax base for the whole district [item T in the formula in section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]; and
  - b)

<b>Parish Area</b>	<b>Tax base</b>
Aighton, Bailey & Chaigley	438
Balderstone	197
Barrow	402
Bashall Eaves, Great Mitton & Little Mitton	202
Billington & Langho	2,072
Bolton by Bowland, Gisburn Forest &	489

Sawley	
Bowland Forest (High)	75
Bowland Forest (Low)	81
Bowland with Leagram	84
Chatburn	378
Chipping	488
Clayton le Dale	509
Clitheroe	5,097
Dinckley	44
Downham	49
Dutton	107
Gisburn	197
Grindleton	353
Horton	46
Hothersall	75
Longridge	2,719
Mearley	8
Mellor	1,000
Newsholme	20
Newton	144
Osbaldeston	110
Paythorne	44
Pendleton	110
Ramsgreave	281
Read	555
Ribchester	655
Rimington & Middop	236
Sabden	520
Salesbury	193
Simonstone	497
Slaidburn & Easington	152
Thornley with Wheatley	166
Twiston	37
Waddington	455
West Bradford	359
Whalley	1,543
Wilpshire	1,072
Wiswell	177
Worston	45
	<b>22,481</b>

being the amounts calculated by the Council, in accordance with Regulation 6 of the regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

- 8.4. Calculate that the Council Tax requirement for the Council's own purposes for 2017/18 (excluding Parish precepts) is £3,275,257.

- 8.5. Calculate the following amounts for 2017/18, in accordance with Sections 31 to 36 of the Act:
- a) £27,170,989 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - b) £23,490,454 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - c) £3,680,535 Being the amount by which the aggregate at 8.5(a) above exceeds the aggregate at 8.5(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
  - d) £163.72 Being the amount at 8.5(c) above (Item R), all divided by Item T (8.3(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - e) £405,278 Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
  - f) £145.69 Being the amount at 8.5(d) above less the result given by dividing the amount at 8.5(e) above by Item T (8.3(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
  - g) Aggregate of the basic amount of council tax for Ribble Valley Borough Council and Parish precept for Band D properties:

Parts of the Council's area	£
Aighton, Bailey & Chaigley	157.11
Balderstone	152.29
Barrow	167.01
Bashall Eaves, Great Mitton & Little Mitton	151.79
Billington & Langho	155.44
Bolton by Bowland, Gisburn Forest & Sawley	150.81
Bowland Forest Higher	174.58
Bowland Forest Lower	160.50
Bowland with Leagram	148.07
Chatburn	175.77
Chipping	161.57
Clayton le Dale	151.58

<b>Parts of the Council's area</b>	<b>£</b>
Clitheroe	166.65
Dinckley	145.69
Downham	145.69
Dutton	150.36
Gisburn	165.99
Grindleton	166.94
Horton	145.69
Hothersall	155.69
Longridge	170.38
Mearley	145.69
Mellor	167.77
Newsholme	145.69
Newton	163.05
Osbaldeston	152.05
Paythorne	145.69
Pendleton	157.51
Ramsgreave	152.81
Read	162.33
Ribchester	157.53
Rimington & Middop	162.64
Sabden	173.91
Salesbury	170.56
Simonstone	162.59
Slaidburn & Easington	159.18
Thornley with Wheatley	154.73
Twiston	145.69
Waddington	175.36
West Bradford	164.14
Whalley	166.99
Wilpshire	161.13
Wiswell	165.63
Worston	145.69

Being the amount given by adding to the amount at 8.5(f) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount contained in 8.3(b), calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

h) Aggregate of the basic amount of council tax for Ribble Valley Borough Council and Parish precept for Band D properties by valuation band:

	VALUATION BANDS							
	A £	B £	C £	D £	E £	F £	G £	H £
Aughton, Bailey & Chaigley	104.74	122.19	139.65	157.11	192.03	226.94	261.85	314.22
Balderstone	101.53	118.44	135.37	152.29	186.14	219.97	253.82	304.58
Barrow	111.34	129.89	148.45	167.01	204.13	241.24	278.35	334.02
Bashall Eaves, Great Mitton & Little Mitton	101.20	118.05	134.92	151.79	185.53	219.25	252.99	303.58
Billington & Langho	103.63	120.89	138.17	155.44	189.99	224.52	259.07	310.88
Bolton by Bowland, Gisburn Forest & Sawley	100.54	117.29	134.05	150.81	184.33	217.84	251.35	301.62
Bowland Forest Higher	116.39	135.78	155.18	174.58	213.38	252.17	290.97	349.16
Bowland Forest Lower	107.00	124.83	142.66	160.50	196.17	231.83	267.50	321.00
Bowland with Leagram	98.72	115.16	131.62	148.07	180.98	213.88	246.79	296.14
Chatburn	117.18	136.71	156.24	175.77	214.83	253.89	292.95	351.54
Chipping	107.72	125.66	143.62	161.57	197.48	233.38	269.29	323.14
Clayton le Dale	101.06	117.89	134.74	151.58	185.27	218.95	252.64	303.16
Clitheroe	111.10	129.61	148.13	166.65	203.69	240.72	277.75	333.30
Dinckley	97.13	113.31	129.50	145.69	178.07	210.44	242.82	291.38
Downham	97.13	113.31	129.50	145.69	178.07	210.44	242.82	291.38
Dutton	100.24	116.94	133.65	150.36	183.78	217.19	250.60	300.72
Gisburn	110.66	129.10	147.54	165.99	202.88	239.76	276.65	331.98
Grindleton	111.30	129.84	148.39	166.94	204.04	241.13	278.24	333.88
Horton	97.13	113.31	129.50	145.69	178.07	210.44	242.82	291.38
Hothersall	103.80	121.09	138.39	155.69	190.29	224.88	259.49	311.38
Longridge	113.59	132.51	151.45	170.38	208.25	246.10	283.97	340.76
Mearley	97.13	113.31	129.50	145.69	178.07	210.44	242.82	291.38
Mellor	111.85	130.48	149.13	167.77	205.06	242.33	279.62	335.54
Newsholme	97.13	113.31	129.50	145.69	178.07	210.44	242.82	291.38
Newton	108.70	126.81	144.93	163.05	199.29	235.52	271.75	326.10
Osbaldeston	101.37	118.26	135.15	152.05	185.84	219.63	253.42	304.10
Paythorne	97.13	113.31	129.50	145.69	178.07	210.44	242.82	291.38
Pendleton	105.01	122.50	140.01	157.51	192.52	227.51	262.52	315.02
Ramsgreave	101.88	118.85	135.83	152.81	186.77	220.72	254.69	305.62
Read	108.22	126.25	144.29	162.33	198.41	234.48	270.55	324.66
Ribchester	105.02	122.52	140.02	157.53	192.54	227.54	262.55	315.06
Rimington & Middop	108.43	126.49	144.57	162.64	198.79	234.92	271.07	325.28
Sabden	115.94	135.26	154.58	173.91	212.56	251.20	289.85	347.82
Salesbury	113.71	132.65	151.61	170.56	208.47	246.36	284.27	341.12

VALUATION BANDS								
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Simonstone	108.40	126.45	144.52	162.59	198.73	234.85	270.99	325.18
Slaidburn & Easington	106.12	123.80	141.49	159.18	194.56	229.93	265.30	318.36
Thornley with Wheatley	103.16	120.34	137.54	154.73	189.12	223.50	257.89	309.46
Twiston	97.13	113.31	129.50	145.69	178.07	210.44	242.82	291.38
Waddington	116.91	136.39	155.87	175.36	214.33	253.30	292.27	350.72
West Bradford	109.43	127.66	145.90	164.14	200.62	237.09	273.57	328.28
Whalley	111.33	129.88	148.43	166.99	204.10	241.21	278.32	333.98
Wilpshire	107.42	125.32	143.22	161.13	196.94	232.74	268.55	322.26
Wiswell	110.42	128.82	147.22	165.63	202.44	239.24	276.05	331.26
Worston	97.13	113.31	129.50	145.69	178.07	210.44	242.82	291.38

being the amounts given by multiplying (as appropriate) the amounts at 8.5(f) or 8.5(g) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 8.6. Note, that for 2017/18 Lancashire County Council has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
814.49	950.24	1,085.99	1,221.74	1,493.24	1,764.74	2,036.23	2,443.48

- 8.7. Note, that for 2017/18 the Police and Crime Commissioner for Lancashire has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
110.30	128.68	147.07	165.45	202.22	238.98	275.75	330.90

- 8.8. Note, that for 2017/18 Lancashire Combined Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands							
A £	B £	C £	D £	E £	F £	G £	H £
43.67	50.94	58.22	65.50	80.06	94.61	109.17	131.00

8.9. Having calculated the aggregate in each case of the amounts at 8.5(h), 8.6, 8.7 and 8.8 above, the Council, in accordance with Section 30(2) of the Act, hereby sets the following amounts as the amounts of council tax for 2017/18 for each of the categories of dwellings shown below:

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Aighton, Bailey & Chaigley	1,073.20	1,252.05	1,430.93	1,609.80	1,967.55	2,325.27	2,683.00	3,219.60
Balderstone	1,069.99	1,248.30	1,426.65	1,604.98	1,961.66	2,318.30	2,674.97	3,209.96
Barrow	1,079.80	1,259.75	1,439.73	1,619.70	1,979.65	2,339.57	2,699.50	3,239.40
Bashall Eaves, Great Mitton & Little Mitton	1,069.66	1,247.91	1,426.20	1,604.48	1,961.05	2,317.58	2,674.14	3,208.96
Billington & Langho	1,072.09	1,250.75	1,429.45	1,608.13	1,965.51	2,322.85	2,680.22	3,216.26
Bolton by Bowland, Gisburn Forest & Sawley	1,069.00	1,247.15	1,425.33	1,603.50	1,959.85	2,316.17	2,672.50	3,207.00
Bowland Forest (High)	1,084.85	1,265.64	1,446.46	1,627.27	1,988.90	2,350.50	2,712.12	3,254.54
Bowland Forest (Low)	1,075.46	1,254.69	1,433.94	1,613.19	1,971.69	2,330.16	2,688.65	3,226.38
Bowland with Leagram	1,067.18	1,245.02	1,422.90	1,600.76	1,956.50	2,312.21	2,667.94	3,201.52
Chatburn	1,085.64	1,266.57	1,447.52	1,628.46	1,990.35	2,352.22	2,714.10	3,256.92
Chipping	1,076.18	1,255.52	1,434.90	1,614.26	1,973.00	2,331.71	2,690.44	3,228.52
Clayton le Dale	1,069.52	1,247.75	1,426.02	1,604.27	1,960.79	2,317.28	2,673.79	3,208.54
Clitheroe	1,079.56	1,259.47	1,439.41	1,619.34	1,979.21	2,339.05	2,698.90	3,238.68
Dinckley	1,065.59	1,243.17	1,420.78	1,598.38	1,953.59	2,308.77	2,663.97	3,196.76
Downham	1,065.59	1,243.17	1,420.78	1,598.38	1,953.59	2,308.77	2,663.97	3,196.76
Dutton	1,068.70	1,246.80	1,424.93	1,603.05	1,959.30	2,315.52	2,671.75	3,206.10
Gisburn	1,079.12	1,258.96	1,438.82	1,618.68	1,978.40	2,338.09	2,697.80	3,237.36
Grindleton	1,079.76	1,259.70	1,439.67	1,619.63	1,979.56	2,339.46	2,699.39	3,239.26
Horton	1,065.59	1,243.17	1,420.78	1,598.38	1,953.59	2,308.77	2,663.97	3,196.76
Hothersall	1,072.26	1,250.95	1,429.67	1,608.38	1,965.81	2,323.21	2,680.64	3,216.76
Longridge	1,082.05	1,262.37	1,442.73	1,623.07	1,983.77	2,344.43	2,705.12	3,246.14
Mearley	1,065.59	1,243.17	1,420.78	1,598.38	1,953.59	2,308.77	2,663.97	3,196.76
Mellor	1,080.31	1,260.34	1,440.41	1,620.46	1,980.58	2,340.66	2,700.77	3,240.92

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Newsholme	1,065.59	1,243.17	1,420.78	1,598.38	1,953.59	2,308.77	2,663.97	3,196.76
Newton	1,077.16	1,256.67	1,436.21	1,615.74	1,974.81	2,333.85	2,692.90	3,231.48
Osbaldeston	1,069.83	1,248.12	1,426.43	1,604.74	1,961.36	2,317.96	2,674.57	3,209.48
Paythorne	1,065.59	1,243.17	1,420.78	1,598.38	1,953.59	2,308.77	2,663.97	3,196.76
Pendleton	1,073.47	1,252.36	1,431.29	1,610.20	1,968.04	2,325.84	2,683.67	3,220.40
Ramsgreave	1,070.34	1,248.71	1,427.11	1,605.50	1,962.29	2,319.05	2,675.84	3,211.00
Read	1,076.68	1,256.11	1,435.57	1,615.02	1,973.93	2,332.81	2,691.70	3,230.04
Ribchester	1,073.48	1,252.38	1,431.30	1,610.22	1,968.06	2,325.87	2,683.70	3,220.44
Rimington & Middop	1,076.89	1,256.35	1,435.85	1,615.33	1,974.31	2,333.25	2,692.22	3,230.66
Sabden	1,084.40	1,265.12	1,445.86	1,626.60	1,988.08	2,349.53	2,711.00	3,253.20
Salesbury	1,082.17	1,262.51	1,442.89	1,623.25	1,983.99	2,344.69	2,705.42	3,246.50
Simonstone	1,076.86	1,256.31	1,435.80	1,615.28	1,974.25	2,333.18	2,692.14	3,230.56
Slaidburn & Easington	1,074.58	1,253.66	1,432.77	1,611.87	1,970.08	2,328.26	2,686.45	3,223.74
Thornley with Wheatley	1,071.62	1,250.20	1,428.82	1,607.42	1,964.64	2,321.83	2,679.04	3,214.84
Twiston	1,065.59	1,243.17	1,420.78	1,598.38	1,953.59	2,308.77	2,663.97	3,196.76
Waddington	1,085.37	1,266.25	1,447.15	1,628.05	1,989.85	2,351.63	2,713.42	3,256.10
West Bradford	1,077.89	1,257.52	1,437.18	1,616.83	1,976.14	2,335.42	2,694.72	3,233.66
Whalley	1,079.79	1,259.74	1,439.71	1,619.68	1,979.62	2,339.54	2,699.47	3,239.36
Wilpshire	1,075.88	1,255.18	1,434.50	1,613.82	1,972.46	2,331.07	2,689.70	3,227.64
Wiswell	1,078.88	1,258.68	1,438.50	1,618.32	1,977.96	2,337.57	2,697.20	3,236.64
Worston	1,065.59	1,243.17	1,420.78	1,598.38	1,953.59	2,308.77	2,663.97	3,196.76

DIRECTOR OF RESOURCES

C2-17/JP/AC  
22 FEBRUARY 2017

## PRUDENTIAL CODE FOR CAPITAL FINANCE

In order to demonstrate that local authorities have fulfilled the objectives of the Prudential Code, it sets out a basket of indicators that must be prepared and used. The required indicators have to be set on a three year time frame and are designed to support and record local decision-making.

### CAPITAL EXPENDITURE

- The actual capital expenditure that was incurred in 2015/16 is shown alongside the current and future years that are recommended for approval:

<b>Capital Expenditure</b>					
	<b>2015/16 Actual</b>	<b>2016/17 Revised Estimate</b>	<b>2017/18 Estimate</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Community	439,448	440,955	447,610	648,500	1,969,320
Planning & Development		30,200			14,500
Policy & Finance	256,237	104,530	294,700	46,500	45,000
Health & Housing	244,911	386,020	386,000	211,000	211,000
<b>Total</b>	<b>940,596</b>	<b>961,705</b>	<b>1,128,310</b>	<b>906,000</b>	<b>2,239,820</b>

- Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2015/16 are:

<b>Ratio of Financing Costs to Revenue Stream</b>				
<b>2015/16 Actual</b>	<b>2016/17 Revised Estimate</b>	<b>2017/18 Estimate</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>
2.16%	2.40%	2.53%	2.28%	1.77%

The estimates of financing costs include current commitments and the proposals in the Council's recommended revenue and capital budgets.

- Estimates of the end of year capital financial requirement for the authority for the current and future years and the actual capital financing requirements at 31 March 2016 are:

<b>Capital Financing Requirement</b>				
<b>31/03/16</b>	<b>31/03/17 Revised Estimate</b>	<b>31/03/18 Estimate</b>	<b>31/03/19 Estimate</b>	<b>31/03/20 Estimate</b>
<b>Actual £'000</b>	<b>Estimate £'000</b>	<b>Estimate £'000</b>	<b>Estimate £'000</b>	<b>Estimate £'000</b>
3,710	3,580	3,698	3,564	4,664

## PRUDENTIAL CODE FOR CAPITAL FINANCE

4. The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, the Council does not associate borrowing with particular items or types of expenditure. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. We have, at any point in time, a number of cash flows, both positive and negative, and manage our treasury position in terms of our borrowings and investments in accordance with our approved treasury management strategy and practices. In day-to-day cash management we make no distinction between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirements reflects the authority's underlying need to borrow for a capital purpose.
5. CIPFA's Prudential Code for Capital Finance in local Authorities includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net debt will only be for a capital purpose, the local authority should ensure that net external debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

I can report that the authority had no difficulty meeting this requirement in 2015/16, nor are any difficulties envisaged for the current or next year. This view takes into account current commitments, existing plans and the proposals in the Council's budget report.

## EXTERNAL DEBT

6. In respect of our external debt, it is recommended that the Council approves the following authorised limits for our total external debt, gross of investments, for the next three financial years and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary. These limits separately identify borrowing from other long-term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to me, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

<b>Authorised Limit for External Debt</b>			
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	29,031	29,154	30,347
Other Long-Term Liabilities	0	0	0
<b>Total</b>	<b>29,031</b>	<b>29,154</b>	<b>30,347</b>

## PRUDENTIAL CODE FOR CAPITAL FINANCE

7. The authorised limit for external debt is the upper limit on the level of gross external indebtedness, which must not be breached without council approval. It is the **worst-case scenario**. It reflects the level of borrowing, which while not desired, could be afforded but may not be sustainable. Any breach must be reported to Council, indicating the reason for the breach and the corrective action undertaken or required to be taken.
8. This limit also factors in the worst-case scenario implications around this council being the lead authority of the Lancashire Business Rates Pool.
9. The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly my estimate of the most likely prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by my staff and me. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is also asked to delegate authority to me, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.
10. Unlike the Authorised Limit, the council's role as the lead authority of the Lancashire Business Rates Pool does not impact on the setting of the Operational Boundary.

<b>Operational Boundary for External Debt</b>			
	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>
Borrowing	6,976	6,980	7,997
Other Long Term Liabilities	0	0	0
<b>Total</b>	<b>6,976</b>	<b>6,980</b>	<b>7,997</b>

11. The Council's actual external debt at 31 March 2016 was £212,557, comprising £212,557 borrowing and £0 other long-term liabilities. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary since the actual external debt reflects the position at one point in time.
12. In taking its decisions on this budget report the Council is asked to note that the authorised limit determined for 2017/18 (see paragraph 6 above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

## PRUDENTIAL CODE FOR CAPITAL FINANCE

### Consideration of Options for the Capital Programme

13. In considering its programme for capital investment the Council is required, within the Prudential Code, to have regard to:
- Service objectives, e.g. strategic planning for the authority
  - Stewardship of assets, e.g. asset management planning
  - Value for money, e.g. option appraisal
  - Prudence and sustainability, e.g. implications for external debt and whole life costing
  - Affordability, e.g. implications for council tax
  - Practicality, e.g. achievability of the forward plan.
14. The Prudential Code requires the estimated revenue impact of Capital investment decisions in Band D Council Tax. These are shown below:

	2017/18 £	2018/19 £	2019/20 £
For the Band D Council Tax	0.04	0.34	0.41

The above figures exclude the borrowing costs required to meet commitments from 2016/17 and earlier year's programmes. The focus is therefore on the cost of the 2017/18 to 2019/20 years of the Capital Programme.

15. It is important to note that the figures above do not represent annual increases in Council Tax. Both the 2018/19 and 2019/20 figures will include the full year effects of decisions taken in 2017/18 and already included in the revenue budget.

### ***Minimum Revenue Provision***

16. The Council is required each year to pay off an element of its accumulated General Fund capital expenditure through a revenue charge, the Minimum Revenue Provision (MRP).
17. The Department of Communities and Local Government (DCLG) issued regulations which require Full Council to approve a MRP Policy Statement in advance of each financial year. The following MRP Policy Statement is recommended for 2017/18.

### ***Minimum Revenue Provision Policy Statement***

- a) For capital expenditure incurred **before** 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP Policy will be to allow MRP equal to 4% of the capital financing requirement (the element of which relates to capital expenditure incurred before 1 April 2008) at the end of the previous financial year.
- b) For capital expenditure incurred **after** 1 April 2008, for all Unsupported Borrowing the MRP Policy will be to follow the Asset Life Method (Equal Instalment method), i.e. the MRP will be based upon the estimated life of the assets financed from borrowing.

## FIVE YEAR CAPITAL PROGRAMME 2017/18 – 2021/22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	TOTAL £
<b>COMMUNITY SERVICES COMMITTEE</b>						
Play Area Improvements	40,000	40,000	40,000	40,000	40,000	<b>200,000</b>
Ribble Valley off-street car parks – upgrade of payment systems	14,550					<b>14,550</b>
Castle Museum - Refurbishment of Windows	62,560					<b>62,560</b>
Renewal of sections of floor to residual waste transfer station	19,500	23,500				<b>43,000</b>
Replacement of Twin-bodied refuse collection vehicle (VU59 JJK)	218,000					<b>218,000</b>
Replacement of Works Iveco Tipper with Iveco Daily Long Wheelbase high top van	23,500					<b>23,500</b>
Replacement mower (Kubota) PN09 SWO	15,500					<b>15,500</b>
Replacement mower (Scag 4x4) rvbc 016 - plus Replacement of Scag Mower (rvbc014) with equivalent spec vehicle	13,000					<b>13,000</b>
Replacement pick up vehicles (Ford Ranger S/C 4WD x 2) – PK07 LSY and PK07 TZG	41,000					<b>41,000</b>
Replacement of Paper Collection Vehicle VX55 KXD		49,000				<b>49,000</b>
Replacement of Refuse Collection Vehicle VU60 HNX		222,500				<b>222,500</b>

## FIVE YEAR CAPITAL PROGRAMME 2017/18 – 2021/22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	TOTAL £
Replacement of Works Iveco Tipper (PO60 AYK)		37,500				37,500
Replacement of Car Parking Van - Fiat Doblo PN09 MHY with an equivalent spec		13,000				13,000
Replacement of Garwood (12 Tonne GVW) single bodied RCV & Cage Truck with single multi-use vehicle - PN05 PWL		120,000				120,000
Replacement mower (Haytor) PN07 MVG		36,500				36,500
Replacement mower (Kubota) PN09 SWO		16,000				16,000
Replacement Mini Tractor and Trailer (John Deere) - PN06 TSZ		12,000				12,000
Replacement Truck (Ford) c/w Tail Lift		37,500				37,500
Tour of Britain Legacy		10,000				10,000
All Weather Pitch Lighting		31,000				31,000
Castle Keep Lime Repointing Works and Repairs (Subject to External Funding)			311,320			311,320
Replacement of Clitheroe CCTV System			60,000			60,000
Replacement of Refuse Collection Vehicle VN12 KYK				232,000		232,000

## FIVE YEAR CAPITAL PROGRAMME 2017/18 – 2021/22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	TOTAL £
Replacement of Refuse Collection Vehicle VU62 HXK					232,000	<b>232,000</b>
Replacement of Refuse Collection Vehicle PO60 YEK			227,000			<b>227,000</b>
Replacement of Paper Collection Vehicle VU06 TKN			50,000			<b>50,000</b>
Replacement of JCB Gravemaster Digger				32,000		<b>32,000</b>
Replacement of Pickup Ford Ranger PK60 HKN				20,120		<b>20,120</b>
Installation of a Second Parking Deck on Chester Avenue Car Park			1,230,000			<b>1,230,000</b>
Replacement Gang Mower (rvbc 009)			29,000			<b>29,000</b>
Replacement Mini Tractor with Bucket for PN05 BYS			22,000			<b>22,000</b>
Replacement High Top Transit Van for PJ63 WUC				20,000		<b>20,000</b>
<b>Total Community Services Committee</b>	<b>447,610</b>	<b>648,500</b>	<b>1,969,320</b>	<b>344,120</b>	<b>272,000</b>	<b>3,681,550</b>
<b>HEALTH AND HOUSING COMMITTEE</b>						
Clitheroe Market Improvements (moved from 2016/17)	175,000					<b>175,000</b>

## FIVE YEAR CAPITAL PROGRAMME 2017/18 – 2021/22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	TOTAL £
Disabled Facilities Grants	161,000	161,000	161,000	161,000	161,000	<b>805,000</b>
Landlord/Tenant Grants	50,000	50,000	50,000	50,000	50,000	<b>250,000</b>
Replacement of Pest Control Van (PK13 FJP)				13,500		<b>13,500</b>
Replacement of Dog Warden Van (PE64 EYC)					13,500	<b>13,500</b>
<b>Total Health and Housing Committee</b>	<b>386,000</b>	<b>211,000</b>	<b>211,000</b>	<b>224,500</b>	<b>224,500</b>	<b>1,257,000</b>
<b>PLANNING AND DEVELOPMENT COMMITTEE</b>						
Replacement of Plotter/Copier in the Planning Section			14,500			<b>14,500</b>
<b>Total Planning and Development Committee</b>	<b>0</b>	<b>0</b>	<b>14,500</b>	<b>0</b>	<b>0</b>	<b>14,500</b>
<b>POLICY AND FINANCE COMMITTEE</b>						
Council Offices Reroofing Retention (moved from 2016/17)	7,910					<b>7,910</b>
Council Offices Replacement Windows and Rooflights Retention (moved from 2016/17)	4,540					<b>4,540</b>

## FIVE YEAR CAPITAL PROGRAMME 2017/18 – 2021/22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	TOTAL £
Clitheroe Townscape Scheme (moved from 2016/17)	55,000					55,000
Economic Development Initiatives (moved from 2016/17)	100,000					100,000
Replacement server for Revenues & Benefits	13,500					13,500
Printing section equipment upgrade	12,500					12,500
Council chamber – Seating renewal scheme	11,250					11,250
Windows Server Upgrade		23,500				23,500
New council telephone system	45,000					45,000
Civic Suite Upgrade	45,000					45,000
Queensway Garages - Replace roof covering and repairs		23,000				23,000
Redesign of the Corporate Website			30,000			30,000
Corporate Firewall			15,000			15,000
<b>Total Policy and Finance Committee</b>	<b>294,700</b>	<b>46,500</b>	<b>45,000</b>	<b>0</b>	<b>0</b>	<b>386,200</b>
<b>TOTAL CAPITAL PROGRAMME 2017/18 TO 2021/22</b>	<b>1,128,310</b>	<b>906,000</b>	<b>2,239,820</b>	<b>568,620</b>	<b>496,500</b>	<b>5,339,250</b>

## FIVE YEAR CAPITAL PROGRAMME 2017/18 – 2021/22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	TOTAL £
<b>FINANCING</b>						
Disabled Facility Grants	-161,000	-161,000	-161,000	-161,000	-161,000	<b>-805,000</b>
Potential External Funding for Castle Keep Repointing			-222,240			<b>-222,240</b>
New Homes Bonus Earmarked Reserve	-242,000	-209,000	-313,600	-272,000	-272,000	<b>-1,308,600</b>
VAT Shelter Earmarked Reserve	-234,000	-69,500	-127,880	-122,120	-50,000	<b>-603,500</b>
Other Earmarked Reserves	-241,300	-466,500	-96,020			<b>-803,820</b>
Usable Capital Receipts			-89,080	-13,500	-13,500	<b>-116,080</b>
Borrowing	-250,010		-1,230,000			<b>-1,480,010</b>
<b>TOTAL FINANCING 2017/18 TO 2021/22</b>	<b>-1,128,310</b>	<b>-906,000</b>	<b>-2,239,820</b>	<b>-568,620</b>	<b>-496,500</b>	<b>-5,339,250</b>

## REVENUE BUDGET

	Original Estimate 2016/17 £	Revised Estimate 2016/17 £	Original Estimate 2017/18 £
Community Services Committee	3,523,580	3,413,510	3,443,070
Policy and Finance Committee	2,157,204	2,087,104	2,061,330
Health and Housing Committee	935,100	859,490	924,540
Planning and Development Committee	552,270	492,570	566,660
<b>Committee Net Requirements</b>	<b>7,168,154</b>	<b>6,852,674</b>	<b>6,995,600</b>
Capital Charges Adjustment			
- <i>Remove Depreciation</i>	-837,740	-856,050	-876,200
- <i>Replace with Minimum Revenue Provision</i>	134,960	134,610	131,820
<b>Total Expenditure</b>	<b>6,465,374</b>	<b>6,131,234</b>	<b>6,251,220</b>
External Interest – Payable	9,480	9,480	7,830
Interest – Earned	-28,730	-21,070	-15,660
New Homes Bonus Grant	-1,366,884	-1,366,884	-1,576,964
Localisation of Council Tax Support – Payments to Parishes	5,750	5,750	
Transition Grant	-20,424	-20,424	-20,345
Rural Areas Delivery Grants – Additional Funding	-107,254	-107,254	-86,603
Business Rates			
- Retained Rates Income	-339,115	-339,115	-447,824
- Renewable Energy		-36,321	-29,091
- Section 31 Grant for Business Rates	-528,416	-458,193	-591,197
- 10% of Retained Levy – Payable to LCC under Pooling Arrangements	38,664	37,973	50,080
- Share of Business Rates Deficit/(Surplus) on Collection Fund	420,692	420,692	-45,368
Less Added to/(taken from) Earmarked Reserves			
- <i>Relating to Community Services Committee</i>			
Community Safety	-13,320	-4,540	-13,520
Recreation and Culture Grants Reserve		13,490	
Grant Funded Sports Development Reserve		-910	
Repairs and Maintenance Reserve		-8,570	
Exercise Referral Reserve		-2,260	
Equipment Reserve		-12,000	
Capital Reserve Fund		3,010	
New Homes Bonus		-6,000	
Vehicle Renewals Reserve		46,000	46,000
- <i>Relating to Policy &amp; Finance Committee</i>			
Elections	22,210	17,800	22,540
Performance Reward Grant	-59,780	-20,720	-53,500
Business Rates Volatility Reserve		44,050	
Land Charges Restitution Reserve		-6,720	

## REVENUE BUDGET

	Original Estimate 2016/17 £	Revised Estimate 2016/17 £	Original Estimate 2017/18 £
IER Reserve	-11,540	-16,600	-1,300
ICT Reserve		15,910	
Equipment Reserve		-6,850	-120
VAT Shelter Reserve	180,000	158,000	158,000
Capital Reserve Fund		2,060	
Revaluation Reserve	2,030	2,030	2,060
<i>- Relating to Health &amp; Housing Committee</i>			
DEFRA Clean Air	-480		
Government Housing Grants Reserve	-14,190	-29,760	-130
Equipment Reserve		1,100	
<i>- Relating to Planning &amp; Development Committee</i>			
Building Control Fee Earning Reserve	-8,060	52,710	5,490
Core Strategy Reserve		-20,530	
Neighbourhood Planning Reserve		-5,000	
Pendle Hill Users Reserve		200	
Planning Reserve	-36,000	-20,480	-42,900
<i>- Corporate Movements in Reserves</i>			
New Homes Bonus Reserve	579,923	579,923	783,885
Business Rates Volatility Reserve	145,249	112,038	787,886
Post LSVT Pensions Reserve	-36,512	-36,512	-36,512
Transition Grant Reserve	20,424	20,424	
General Balances	-200,000	-8,070	-250,000
<b>Net Expenditure</b>	<b>5,119,091</b>	<b>5,119,091</b>	<b>4,903,957</b>
Parish Precepts	376,779	376,779	405,278
<b>Budget Requirement</b>	<b>5,495,870</b>	<b>5,495,870</b>	<b>5,309,235</b>
Less Settlement Funding Assessment			
– Revenue Support Grant	-623,087	-623,087	-304,319
– NNDR Share	-1,239,518	-1,239,518	-1,264,824
Council Tax (Surplus)/Deficit	-47,809	-47,809	-59,557
<b>Precept</b>	<b>3,585,456</b>	<b>3,585,456</b>	<b>3,680,535</b>
Taxbase	22,024	22,024	22,481
Council Tax	<b>145.69</b>	<b>145.69</b>	<b>145.69</b>
Council Tax (including Parishes)	162.80	162.80	163.72

## COLLECTION FUND

<b>Collection Fund</b>	<b>Original 2016/17 £</b>	<b>Revised 2016/17 £</b>
<b><u>Council Tax</u></b>		
<b>Precepts:</b>		
<i>Lancashire County Council</i>	25,875,117	25,875,117
<i>Lancashire Police and Crime Commissioner</i>	3,572,733	3,572,733
<i>Lancashire Combined Fire Authority</i>	1,442,572	1,442,572
<i>Ribble Valley including Parishes</i>	3,585,456	3,585,456
<b>Allocation of Surplus:</b>		
<i>Lancashire County Council</i>	343,027	343,027
<i>Lancashire Police and Crime Commissioner</i>	48,294	48,294
<i>Lancashire Combined Fire Authority</i>	19,693	19,693
<i>Ribble Valley including Parishes</i>	47,809	47,809
<b>Overpayments of Council Tax Benefit</b>	0	18,147
<b>Bad Debts Provision</b>	258,569	120,000
<b>Expenditure Subtotal - Council Tax</b>	<b>35,193,270</b>	<b>35,072,848</b>
<b><u>Business Rates</u></b>		
<b>Deficit Brought Forward</b>	1,051,731	919,801
<b>Cost of Collection</b>	89,974	89,974
<b>Enterprise Zones</b>	16,747	16,747
<b>Renewable Energy Schemes</b>	14,974	36,321
<b>Transitional Protection</b>	0	90,845

## COLLECTION FUND

<b>Collection Fund</b>	<b>Original 2016/17 £</b>	<b>Revised 2016/17 £</b>
<b>Distribution of Business Rates</b>		
<i>Central Government</i>	7,425,157	7,425,157
<i>Ribble Valley</i>	5,940,126	5,940,126
<i>Lancashire County Council</i>	1,336,528	1,336,528
<i>Lancashire Combined Fire Authority</i>	148,503	148,503
<b>Appeals Provision</b>	238,241	101,900
<b>Bad Debts Provision</b>	153,639	130,000
<b>Expenditure Subtotal - Business Rates</b>	<b>16,415,620</b>	<b>16,235,902</b>
<b>TOTAL EXPENDITURE</b>	<b>51,608,890</b>	<b>51,308,750</b>
<b><u>Council Tax</u></b>		
<b>Surplus Brought Forward</b>	458,823	597,605
<b>Council Tax Income</b>	34,734,447	35,047,495
<b>Council Tax Benefits</b>	0	421
<b>Income Subtotal - Council Tax</b>	<b>35,193,270</b>	<b>35,645,521</b>
<b><u>Business Rates</u></b>		
<b>Net Rates Payable (before appeals)</b>	15,363,889	15,297,593
<b>Allocation of Deficit:</b>		
<i>Central Government</i>	525,866	525,866
<i>Ribble Valley</i>	420,692	420,692
<i>Lancashire County Council</i>	94,656	94,656
<i>Lancashire Combined Fire Authority</i>	10,517	10,517
<b>Income Subtotal - Business Rates</b>	<b>16,415,620</b>	<b>16,349,324</b>
<b>TOTAL INCOME</b>	<b>51,608,890</b>	<b>51,994,845</b>
Council Tax (Surplus)/Deficit	0	-572,673
Business Rates (Surplus)/Deficit	0	-113,422
<b>OVERALL SURPLUS FOR YEAR</b>	<b>0</b>	<b>-686,095</b>