

# RIBBLE VALLEY BOROUGH COUNCIL

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please ask for: OLWEN HEAP  
direct line: 01200 414408  
e-mail: olwen.heap@ribblevalley.gov.uk  
my ref: OH/EL  
your ref:  
date: 14 January 2019

Council Offices  
Church Walk  
CLITHEROE  
Lancashire BB7 2RA

Switchboard: 01200 425111  
Fax: 01200 414488  
www.ribblevalley.gov.uk

Dear Councillor

The next meeting of the **POLICY AND FINANCE COMMITTEE** is at **6.30pm on TUESDAY, 22 JANUARY 2019** in the **TOWN HALL, CHURCH STREET, CLITHEROE**.

I do hope you can be there.

Yours sincerely

CHIEF EXECUTIVE

To: Committee Members (copy for information to all other Members of the Council)  
Directors  
Press

## AGENDA

### Part 1 – items of business to be discussed in public

1. Apologies for absence.
- ✓ 2. Minutes of the meeting held on 20 November 2018 – copy enclosed.
3. Declarations of Pecuniary and Non-Pecuniary Interests (if any).
4. Public Participation (if any).

### DECISION ITEMS

- ✓ 5. Development of Clitheroe Market Site – report of Director of Economic Development and Planning – copy enclosed.
- ✓ 6. Revised Capital Programme 2018/19 – report of Director of Resources – copy enclosed.
- ✓ 7a. Revised Revenue Budget 2018/19 – report of Director of Resources – copy enclosed.
- ✓ 7b. Original Revenue Budget 2019/20 – report of Director of Resources – copy enclosed.

- ✓ 8. Autumn Budget 2018 – Retail Relief – report of Director of Resources – copy enclosed.
- ✓ 9. Local Taxation Write-Offs – report of Director of Resources – copy enclosed.
- ✓ 10. Review of Financial Regulations and Contract Procedure Rules – report of Director of Resources – copy enclosed.

INFORMATION ITEMS

- ✓ 11. Treasury Management Monitoring 2018/2019 – report of Director of Resources – copy enclosed.
- ✓ 12. Revenues and Benefits General Report – report of Director of Resources – copy enclosed.
- 13. Reports from Representatives on Outside Bodies (if any).

Part II - items of business **not** to be discussed in public

DECISION

- ✓ 14. Local Taxation Write-offs – report of Director of Resources – copy enclosed.

INFORMATION

NONE

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No. 5

meeting date: TUESDAY 22 JANUARY 2019  
title: RE-DEVELOPMENT OF CLITHEROE MARKET SITE - UPDATE  
submitted by: DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING  
principal author: NICOLA HOPKINS, DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING

### 1 PURPOSE

- 1.1 To receive an update on the market area re-development project and agree a way forward in respect of a development scheme for this site.
- 1.2 Relevance to the Council's ambitions and priorities:
- Community Objectives – To encourage economic development and sustain a strong and prosperous Ribble Valley.
  - Corporate Priorities – To continue to progress the re-development of the town centre and market site
  - Other Considerations – To ensure the Council is a well-managed and efficient authority.

### 2 BACKGROUND

- 2.1 Since 2014 discussions have been ongoing in respect of a scheme for the redevelopment of the Clitheroe Market Quarter Development.
- 2.2 On 1 December 2015, following a procurement process, Barnfield Construction Limited were selected as the preferred bidder to deliver their scheme submitted as part of the procurement process. The letter sent to Barnfield states that, following the mandatory 'standstill' period, assuming no challenge is received that Barnfield would be awarded the contract subject to the production and signing of the necessary development agreement.
- 2.3 Whilst no formal contract was awarded following the standstill period the Council have continued to work with Barnfield and as such it is likely that Barnfield would consider that they have been treated as having been **awarded** the contract. It is however important to note that **implementing** the contract requires the development agreement to be settled, completed and then overcome any external factors affecting conditionality before it becomes unconditional and development work commences.
- 2.4 In July 2016 a proposed scheme for the market development was subject to a public consultation exercise. Following this consultation the Market Development Working Group concluded that the scheme should be amended to respond to the comments received.
- 2.5 At Policy and Finance Committee on 19 June 2018 Members considered the amended scheme which saw a reduction in the scale of development and consideration of the level of leisure offer within the development and agreed the following actions:
1. Approve the scheme as now proposed in principle for it to move to the next stage;

2. Agree that Heads of Terms, a Development Agreement and Financial Appraisal be prepared based upon the scheme as now presented and reported back to this Committee for consideration; and
  3. Delegate to the Chief Executive, in consultation with the Chairman and Vice-Chairman of this Committee, a strategy for publicising the scheme as it develops.
- 2.6 At Policy and Finance Committee, on 25th September 2018, Members agreed that rather than progress with the actions agreed at the June Policy and Finance Committee a further report would be brought to a later Committee to advise Members on alternative ways forward for the redevelopment of this site.

### 3 PUBLIC PROCUREMENT

3.1 As Members will be aware the project has been subject to an extensive procurement process under the OJEU framework utilising the competitive dialogue approach to selecting a developer. This allows bidders to develop alternative proposals in response to a client's online requirements. Once the preferred bidder has been selected, there is an opportunity to clarify aspects of its final tender or confirm commitments contained in the final tender. However this is provided that this does not have the effect of modifying substantial aspects of the final tender and does not risk distorting competition or causing discrimination.

3.2 As noted above the current Barnfield scheme is reduced in respect of scale and end uses when compared to the final tender scheme submitted (which identified Barnfield as the preferred developer). In this case the Council need to be confident that the changes do not distort the competitive tender process or modify substantial aspects of the final tender. Case law has set out the three situations in which an amendment would be a material amendment leading to the requirement to procure a new contract. These are:

- It would have changed who bid or won the contract;
- It extends the scope considerably to encompass [services] not initially covered; or
- It changes the economic balance of the contract in favour of the contractor in a manner not provided for in the original contract.

3.3 The Council needs to ensure that it achieves best consideration as well as an affordable and viable financial appraisal to establish value for money in respect of this scheme, in accordance with Section 123(2) of the Local Government Act 1972. Members are advised that these matters will need to be fully considered when progressing any development scheme on the market site

### 4 FUTURE HIGH STREETS FUND

4.1 In December 2018 the Ministry of Housing, Communities and Local Government (MHCLG) published a call for expressions of interest to bid for part of the £675m Future High Streets Fund. This fund is intended to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability.

4.2 The competition for the fund will take place over two phases:

4.2.1 Phase 1 is this light-touch process calling for Expressions of Interest by 22 March 2019.

- 4.2.2 During Phase 2 the shortlisted places will develop their strategic vision and full business cases. Places successful in moving to Phase 2 will receive capacity funding to support this. Based on the strength and merits of the final business cases, a decision will be made on which projects will receive capital funding and any further revenue funding.
- 4.3 The Fund will contribute up to a maximum of £25 million to each successful place however MHCLG are expecting to see a range of project sizes coming forward in the region of £5-10 million per town centre.
- 4.4 MHCLG are seeking proposals that cover high streets or town centres with high levels of social and economic activity, that contain a variety of uses and functions and that act as important service centres for extensive catchment populations.
- 4.5 Given the control local authorities have over the strategic levers that will be necessary to bring forward the types of projects this Fund is designed for, MHCLG have stated that local authorities are best-placed to bid for the funding and develop and deliver proposals.
- 4.6 Whilst town centre areas that are not facing significant challenges will not be eligible for the fund it is considered that Clitheroe Town Centre does have its own specific challenges. The Town Centre experiences retail spend leakage outside of the Borough and the market has seen a decrease in footfall within recent years with an increase in vacant stalls. Clitheroe has a unique offer of independent stores which could be enhanced to improve the visitor experience demonstrating that the Authority is 'future-proofing' the town centre to enable its continued success. As such there is an opportunity to submit an expression of interest for this fund.
- 4.7 A Town Centre Masterplan was developed for Clitheroe however this is nine years old now. This plan and vision for the Town Centre can be revisited to support a bid to the fund. This will enable consideration of new developments and improvements in respect of the wider Town Centre rather than individual elements of the Town Centre.

## 5 OPTIONS

- 5.1 The Council is committed to bringing forward a scheme for the redevelopment of the market area but this needs to be done in the context of delivering the right development for the Town Centre. Given the Council's ambitions for Clitheroe Town Centre and the announcement of the Future High Street Fund there are other options for delivering the Council's vision for the wider Clitheroe Town Centre.
- 5.2 In this regard Members are asked to consider the following options:
- 5.2.1 Continue working with Barnfield Construction on the market site as the identified preferred bidder based upon the original procurement exercise (subject to full consideration of any changes to the tendered scheme).
- 5.2.2 Terminate the original procurement exercise and work up an expression of interest for the Future High Streets Fund based upon developing a vision for the wider Town Centre with the market site forming one element of wider improvements to the Town Centre.

## 6 RISK ASSESSMENT

- 6.1 The approval of this report may have the following implications:

- Resources – no formal contract was awarded to Barnfield Construction however work has undertaken with Barnfield since December 2015 with associated costs. Additionally the Council have incurred costs in respect of the procurement exercise and re-procuring the development would incur further costs to the Council.
- Technical, Environmental and Legal – Competition for the Future High Street Fund is likely to be high and the Council may not be successful in the first round of bids (a second round is expected but not until 2020 at the earliest). The work undertaken on submitting the Expression of Interest however will look at refreshing the vision for the wider Town Centre enabling consideration of the right type of development/ improvements to the wider Town Centre rather than the individual market site.
- The suggested options will delay the redevelopment of the market site and consideration of the maintenance of the market will need to be considered. At present maintenance has been reactive rather than identified investment and further delays would impact on the traders decisions about their business investment.
- Political – The Council has made a commitment to bring forward a scheme for the redevelopment of the market area however this needs to be in the context of what is appropriate for the wider Town Centre
- Reputation –terminating the procurement exercise could reduce the Council's credibility and may result in less bidders seeking to take part on future Council procurements.
- Equality & Diversity – None.

## **7 RECOMMENDED THAT COMMITTEE**

- 7.1 Decide which of the following options would meet Members aspirations for Clitheroe Town Centre:
- 7.1.1 Continue working with Barnfield Construction on the market site as the identified preferred bidder based upon the original procurement exercise.
- 7.1.2 Terminate the original procurement exercise and work up an expression of interest for the Future High Streets Fund.

NICOLA HOPKINS  
DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 6

meeting date: 22 JANUARY 2019  
title: REVISED CAPITAL PROGRAMME 2018/19  
submitted by: DIRECTOR OF RESOURCES  
principal author: ANDREW COOK

## 1 PURPOSE

1.1 To approve the 2018/19 revised estimate for this Committee's capital programme.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – none identified.
- Corporate Priorities – to continue to be a well-managed council, providing efficient services based on identified customer needs.
- Other Considerations – none identified.

## 2 BACKGROUND

2.1 Three schemes, totalling £156,420, were approved as this Committee's original estimate capital programme by the Policy and Finance Committee and Full Council at their respective meetings in February 2018 and March 2018.

2.2 Three schemes in the 2017/18 capital programme were not completed by 31 March 2018 and had unspent budget available at that date. The total unspent budget on these schemes, totalling £86,140 and known as slippage, was transferred into the 2018/19 capital programme budget.

2.3 An additional budget of £10,500 was approved by this Committee in September 2018 for the additional estimated costs of the Replacement server for Revenues and Benefits scheme. This is known as an additional approval.

2.4 As a result of the above, the total approved budget for this Committee's capital programme of six schemes was £253,060. This is shown at Annex 1.

2.5 Regular reports have been presented to this Committee on progress with the capital programme.

## 3 REVISING THE 2018/19 CAPITAL PROGRAMME

3.1 We have now discussed each of the schemes in the capital programme with budget holders and revised the programme to reflect their progress and estimated full year expenditure. Following this review, the revised estimate is £161,730 for six schemes, which is a reduction of £91,330 from the previously approved capital budget. The reasons for this are as follows:

- **Lift replacement at Council Offices (-£84,050):** The work specification needs to be completed before the scheme is put out to tender. The work specification is expected to be completed in 2018/19 at an estimated cost of £2,950. However, the time then required for the tendering and contractor selection means that no spend will take place on the main contract work before the end of 2018/19. Thus, it is recommended that the revised estimate budget is reduced to £2,950 and the remaining budget of £84,050 is moved to the 2019/20 financial year.

- **Replacement server for Revenues and Benefits (-£3,180):** The server scheme is on-track for completion in January 2019 and all costs are now paid on the ledger. Some costs included in the original budget were future years' support and maintenance costs which will be charged to future years' revenue budgets and the contingency included in the budget was not required.
- **Queensway Garages – replace roof covering and repairs (-£3,000):** The main scheme work has been completed at a cost of £17,845, which is lower than the original estimate budget of £23,000, but there is the potential that final snagging work will be required. Thus, it is recommended that the revised estimate is set at £20,000 to ensure some budget is set aside to cover any snagging work required.
- **Civic suite upgrade (-£1,100):** Actual spend on the work which rolled over from 2017/18 was slightly lower than the budget slippage approved.

3.2 Annex 1 shows the full capital programme by scheme, including the budget and expenditure to date. The summary position is shown below.

Original Estimate 2018/19 £	Slippage from 2017/18 £	Additional Approvals 2018/19 £	Total Approved Budget 2018/19 £	Revised Estimate 2018/19 £	Budget Moved to 2019/20 £	Actual Expenditure including commitments as at end of December 2018 £
156,420	86,140	10,500	253,060	161,730	84,050	111,625

3.3 At the end of December 2018 £111,625 had been spent or committed. This is 69% of the full year capital programme budget for this Committee.

3.4 The main reason for the £50,105 underspend on the full year budget to date is the £45,000 underspend on the New Council telephone system scheme. Officers are currently in the process of obtaining quotes for the replacement system, following further work undertaken on the options available within the current capital budget. The quotes are likely to be reported to CMT in February 2019 before the preferred supplier is confirmed. At this stage, it is unlikely that the scheme will be completed within the 2018/19 financial year. Slippage into 2019/20 will be requested for any unspent budget at year-end.

3.5 Of the six schemes in the capital programme:

- the Civic suite upgrade scheme has been completed
- the Queensway Garages, Financial system upgrade and Replacement server for Revenues and Benefits schemes are currently on-track to be completed in-year
- the New Council telephone system scheme is unlikely to be completed in-year; and
- the Lift replacement at Council Offices scheme will not be completed in-year.

## 4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – Approval of the revised capital programme will see a decrease of £91,330 in the level of financing resources needed in 2018/19 and £84,050 of capital financing resources will be moved into 2019/20.

- Technical, Environmental and Legal – None.
- Political – None.
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the Council.
- Equality and Diversity – Equality and diversity issues are examined as part of the capital bid appraisal process.

## 5 CONCLUSION

- 5.1 The revised estimate for this Committee's 2018/19 capital programme is £161,730 for six schemes, which is a reduction of £91,330 from the previously approved capital budget.
- 5.2 It is recommended that £84,050 of the 2018/19 budget for the Lift replacement at Council Offices scheme is moved to 2019/20.
- 5.3 At the end of December 2018 £111,625 had been spent or committed. This is 69% of the full year capital programme budget for this Committee.
- 5.4 One scheme has already been completed and three schemes are currently on-track to be completed in-year. Of the other two schemes, the New Council telephone system scheme is unlikely to be completed in-year and the Lift replacement at Council Offices scheme will not be completed in-year.

## 6 RECOMMENDED THAT COMMITTEE

- 6.1 Approve the 2018/19 revised estimate of £161,730 for this Committee's capital programme, as set out in Annex 1.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF1-19/AC/AC  
11 January 2019

For further background information please ask for Andrew Cook

BACKGROUND PAPERS – None

## POLICY AND FINANCE COMMITTEE – REVISED CAPITAL PROGRAMME 2018-19

Cost Centre	Scheme	Original Estimate 2018/19 £	Slippage from 2017/18 £	Additional Approvals 2018/19 £	Total Approved Budget 2018/19 £	Revised Estimate 2018/19 £	Budget Moved to 2019/20 £	Actual Expenditure including commitments as at end of December 2018 £
QGARR	Queensway Garages – replace roof covering and repairs	23,000	0	0	23,000	20,000	0	17,845
COLFT	Lift replacement at Council Offices	87,000	0	0	87,000	2,950	84,050	0
CFUPG	Financial system upgrade	46,420	0	0	46,420	46,420	0	46,433
RBSVR	Replacement server for Revenues and Benefits	0	13,500	10,500	24,000	20,820	0	20,813
PHONE	New Council telephone system	0	45,000	0	45,000	45,000	0	0
CSUPG	Civic suite upgrade	0	27,640	0	27,640	26,540	0	26,534
<b>Total Policy and Finance Committee</b>		<b>156,420</b>	<b>86,140</b>	<b>10,500</b>	<b>253,060</b>	<b>161,730</b>	<b>84,050</b>	<b>111,625</b>

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7a

meeting date: 22 JANUARY 2019  
title: REVISED REVENUE BUDGET 2018/19  
submitted by: DIRECTOR OF RESOURCES  
principal author: VALERIE TAYLOR

### 1 PURPOSE

1.1 To agree a revised revenue budget for 2018/19 for this committee.

### 2 BACKGROUND

2.1 The original estimate for this current financial year was set in March 2018.

2.2 As members will be aware, there can be numerous variations to the budget that come to our attention as the year progresses, particularly through the budget monitoring process.

2.3 At this time of year we revise the estimates for the current financial year in order to predict the likely outturn. In essence the Revised Estimate is the council's latest forecast for the outturn on the current financial year's budget. This also assists us in preparing the original estimate for the coming financial year.

2.4 At the time that the Original Estimate 2018/19 was set, the new Economic Development and Planning Department included only the new director's post, with all other departmental staff included under the previous departmental structure that was in place at that time.

2.5 Since then, the costs have been reallocated across the various departments, which are spread across the council's committee structure. This reallocation of costs across the new departmental structure was **cost neutral** and largely impacts the main departmental cost centres, but also impacts on individual services through the support service allocations.

### 3 REVISING THE ORIGINAL ESTIMATE

3.1 Since the budget was originally set we now have the benefit of information from the outturn position for 2017/18 and the variances that were experienced in that financial year. Furthermore, as we have been monitoring our budgets during the year we can also use this information to inform the revised budget process.

3.2 The original budget for 2018/19 initially allowed 2% for both pay and price increases.

3.3 After the detailed estimates had been prepared the national pay award was settled which increased the paybill nationally by 2.707% in 2018/19 and 2.802% in 2019/20 with substantial increases to the lower payscales.

3.4 This was obviously significantly higher than the 2% allowed for in the committee estimates and therefore we added a contingency to the budget of £75,000 in respect of the potential pay increases above 2%.

- 3.5 The general provision for price increases has proved reasonably accurate. The impact of the pay award for the Council is estimated to be approximately £45,000 over and above the 2% budgeted for. The balance on the contingency will be released to general fund balances.
- 3.6 Whilst our committee income and expenditure may increase or decrease at the revised estimate, items such as our budgeted core government funding and our council tax precept remain fixed. As a result, any compensating movement is within our earmarked reserves and general fund balances.
- 3.7 In addition to the use of data on past performance there have been detailed discussions with budget holders and heads of service on past service provision and future plans, playing an integral part in the budget setting process.
- 3.8 Furthermore, decisions and actions required as a result of committee meetings are incorporated in to the budget setting process, whilst financial implications would likely have already been identified as part of any committee decision.
- 3.9 As part of the setting of the revised estimate, this report is now presented to committee to seek comment and approval. Once approved by this committee, the revised estimate will be reported to Special Policy and Finance Committee.
- 3.10 The proposed revised estimate for this committee is now presented in the following section, with details of the movements that affect this revision being detailed at Annex 1. There are also details of the current actual position as at the end of December against the profiled Original Estimate and alongside the proposed Revised Estimate at Annex 2.

#### 4 PROPOSED REVISED REVENUE BUDGET 2018/19

- 4.1 A comparison between the original and revised budgets for each cost centre is shown below, together with the associated movements in earmarked reserves.

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Movement in Expenditure</b>	<b>Movement in Income</b>	<b>Movement in Support Services</b>	<b>Movement in Capital Charges</b>	<b>Revised Estimate 2018/19</b>
CEXEC: Chief Executives Department	0	47,600	740	-48,340		0
CIVCF: Civic Functions	60,220	-3,060		-180		56,980
CIVST: Civic Suite	0	-11,210	3,080	2,300	5,830	0
CLOFF: Council Offices	0	-8,890	-430	2,790	6,530	0
CLTAX: Council Tax	337,060	-2,240		22,010		356,830
COMPR: Computer Services	0	3,730		-3,720	-10	0

Cost Centre and Description	Original Estimate 2018/19	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2018/19
CORPM: Corporate Management	340,540			-1,340		339,200
COSDM: Cost of Democracy	450,060	-950	-30	10,560		459,640
CSERV: Corporate services	185,780	-8,050		-22,510		155,220
DISTC: District Elections	0	60				60
ELADM: Election Administration	5,370			1,270		6,640
ELECT: Register of Electors	106,150	-3,330	-25,400	170		77,590
EMERG: Community Safety	64,130	-2,540		2,470		64,060
ESTAT: Estates	60,310	9,590	470	1,330	9,260	80,960
FGSUB: Grants & Subscriptions - Policy and Fin	167,320	-440		310		167,190
FMISC: Policy & Finance Miscellaneous	-61,370	19,440	81,790	-9,220		30,640
LANDC: Land Charges	15,020	-180	11,120	-2,330		23,630
LICSE: Licensing	43,050	-280	-3,220	-12,270		27,280
LUNCH: Luncheon Clubs	14,280			20		14,300
NNDRC: National Non Domestic Rates	41,840	8,060	1,840	2,390		54,130
PARIS: Parish Elections	0	4,260				4,260
PERFM: Performance Reward Grants	3,430	-2,650		-780		0
RESOR: Resources Department	0	35,100	-2,600	-22,460	-10,040	0
SUPDF: Superannuation Deficiency Payments	97,600	-950				96,650
<b>Grand Total</b>	<b>1,930,790</b>	<b>83,070</b>	<b>67,360</b>	<b>-77,530</b>	<b>11,570</b>	<b>2,015,260</b>

Cost Centre and Description	Original Estimate 2018/19	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2018/19
<b>Associated Movements in Earmarked Reserves</b>						
FNBAL/H326 Performance Reward Grant (PRG) Reserve	-2,650	2,650				0
FNBAL/H230 Election Reserve	22,990					22,990
FNBAL/H269 Revaluation Reserve	2,110					2,110
FNBAL/H326 Vat Shelter Reserve	108,080	-68,370				39,710
FNBAL/H288 Pensions Triennial Revaluation Reserve	33,320	-260				33,060
FNBAL/H262 IT Equipment reserve	-3,970	-9,140	970			-12,140
<b>Net after Movements in Earmarked Reserves</b>	<b>2,090,670</b>	<b>7,950</b>	<b>68,330</b>	<b>-77,530</b>	<b>11,570</b>	<b>2,100,990</b>

4.2 The difference between the revised and original estimate is an increase in net expenditure of £84,470 or an increase in net expenditure of £10,320 after allowing for movements on earmarked reserves.

5 KEY MOVEMENTS FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE

5.1 Within the proposed Revised Estimate there are a number of substantial movements, and these are summarised in the table below. A more detailed analysis of the movements is provided at Annex 1.

Description	Variance Original Estimate 2018/19 to DRAFT Revised Estimate 2018/19 £
<p><b><u>CEXEC: Chief Executive's Department</u></b> Employee turnover to the date of the revised estimate is below that budgeted for, increasing expenditure on salaries, national insurance and superannuation.</p>	46,940
<p><b><u>CIVST: Civic Suite</u></b> A refund of National Non Domestic Rates was received in 2018/19 following a successful appeal against the 2010 rateable value of the council offices buildings (see below - split between CIVST and CLOFF)</p>	-6,300
<p><b><u>CLOFF: Council Offices</u></b> A refund of National Non Domestic Rates was received in 2018/19 following a successful appeal against the 2010 rateable value of the council offices buildings (see above - split between CIVST and CLOFF)</p>	-37,090
<p><b><u>CLOFF: Council Offices</u></b> Budget for potential liability in relation to utility charges</p>	25,450
<p><b><u>FMISC: Finance Miscellaneous</u></b> Reduction in income from VAT shelter money paid by Onward Homes. This is due to a dramatically lower level of spend that falls under the VAT shelter arrangements by Onward Homes. This also impacts on the level of sums transferred to earmarked reserves.</p>	68,370
<p><b><u>FMISC: Finance Miscellaneous</u></b> The council's bank charges were previously recharged out to other services/committees, but will now remain under this cost centre as corporate banking charges. Therefore they show as an increase in costs under this cost centre</p>	13,050

Description	Variance Original Estimate 2018/19 to DRAFT Revised Estimate 2018/19 £
<p><b><u>FMISC: Finance Miscellaneous</u></b> Increased costs in respect of the charges incurred by the council from accepting credit and debit card payments. This charge was previously netted off the council's interest receipts, but is now shown here as part of the council's corporate banking charges.</p>	21,500
<p><b><u>RESOR: Resources Department</u></b> Employee turnover to the date of revised estimate is below that budgeted for, increasing expenditure on direct employee costs. Also there has been a reallocation of costs for the annual deficit recovery payment for superannuation.</p>	25,410
<p><b><u>RESOR: Resources Department</u></b> Non-recurring purchases brought in to the revised estimate as follows: Software and consultancy costs to aid compliance with the HMRC 'making tax digital' agenda £4,320, Consultancy fee to improve upon the reporting capabilities of the financial information system £2,720 (funds have been diverted from travel expenses £620, telephone system £1,000 and conference expenses £1,100 to pay for this) and costs to expand the council's online payments facility £9,140 as approved by Policy and Finance committee on 20th November 2018</p>	16,180
<p><b><u>Movement in Support Services</u></b></p>	-77,530
<p><b><u>Movement in Capital (Depreciation Charges)</u></b></p>	11,570

## 6 CONCLUSION

- 6.1 The difference between the revised and original estimate is an increase in net expenditure of £10,320 after allowing for transfers to and from earmarked reserves.

## 7 RISK ASSESSMENT

- 7.1 The approval of this report may have the following implications

- Resources: approval of the revised estimate would see an increase in net expenditure of £84,470 or £10,320 after movements on earmarked reserves.
- Technical, Environmental and Legal: none identified
- Political: none identified

- Reputation: sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

8 RECOMMENDED THAT COMMITTEE

8.1 Agree the revenue revised estimate for 2018/19.

TEMPORARY SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF2-19/VT/AC  
10 January 2019

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None

**POLICY AND FINANCE COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

**ANNEX 1**

	<b>MOVEMENT IN EXPENDITURE £</b>	<b>MOVEMENT IN INCOME £</b>	<b>MOVEMENT IN SUPPORT SERVICES £</b>	<b>MOVEMENT IN CAPITAL £</b>	<b>TOTAL MOVEMENT £</b>
<b>CEXEC: Chief Executives Department</b>					
Employee turnover to the date of the revised estimate is below that budgeted for, resulting in increased expenditure on salaries, national insurance and superannuation.	46,940				
There has been ad-hoc expenditure on overtime in order to provide cover for a part-time vacancy within the pest control service.	1,210				
Actual spend on enhanced pay for unsociable working hours to date is below that originally estimated.	-1,270				
The annual deficit recovery payment for superannuation is allocated based on 2017/18 actuals within the service area, which in this case were higher than originally estimated.	1,500				
Increase to revised estimate following reviews of claims history and inflationary increase above that estimated.	1,090				
Lease car contracts for the year known and finalised reducing the level of budget needed in 2018/19.	-1,000				

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Cost of subscription to online legal services for 2018/19 is below that provided for in the original estimate.	-2,500				
The increase to the department net budget overall as a result of the reasons listed above has consequently increased recharges out to other service areas.			-48,400		
<b>Total Chief Executives Department</b>					<b>-2,430</b>
<b>CIVCF: Civic Functions</b>					
A temporary reduction to contractual hours has reduced employee basic salary costs for the revised estimate.	-1,660				
General spend on refreshments under mayoral functions has been lower in the current year than originally estimated.	-1,090				
<b>Total Civic functions</b>					<b>-2,750</b>
<b>CIVST: Civic Suite</b>					
Repairs and maintenance requirements for the year are lower than expected allowing for prioritisation of expenditure on other areas.	-4,550				

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
A refund of National Non Domestic Rates was received in 2018/19 following a successful appeal against the 2010 rateable value of council offices buildings (which included the Civic Suite).	-6,300				
Increased depreciation charge as a result of a revaluation of the premises at the end of the last financial year and also due to some of the upgrade work that was completed as part of the capital programme last financial year.				5,830	
Reduction in demand for hire of the civic suite has reduced the level of income estimated for the year.		3,080			
The reduction in the overall net cost of the civic suite as a result of the reasons listed above has decreased the recharges out to other service areas.			2,300		
<b>Total Civic Suite</b>					<b>360</b>
<b>CLOFF: Council Offices</b>					
The budgets for basic pay have been increased to incorporate the above inflationary 2018/19 pay award and to adjust for a lower turnover of staff than originally estimated.	3,500				

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Increased requirement for temporary staffing to cover a prolonged period of absence.	970				
A review of superannuation membership has seen an increase in the budget, along with lower staff turnover than originally budgeted for.	1,170				
Repairs and maintenance requirements for the year have been lower than expected allowing for prioritisation of expenditure on other areas.	-3,700				
Provision for potential liability in relation to utility charges.	25,450				
A refund of National Non Domestic Rates was received in 2018/19 following a successful appeal against the 2010 rateable value of council offices buildings.	-37,090				
Reduction in the allocation of cost for premises insurance.	-1,530				
Increased depreciation charge as a result of a revaluation of the premises at the end of the last financial year.				6,530	

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
The reduced overall net cost of the council offices as a result of the reasons listed above has decreased the recharges out to other service areas.			2,790		
<b>Total Council Offices</b>					<b>-1,910</b>
<b>CLTAX: Council Tax</b>					
Increase in the level of postage costs as both the quantity of letters being sent out and the cost per letter have increased.	4,700				
The costs of bank charges were previously partly recharged here, but going forward they are now to be held under the Policy and Finance Miscellaneous cost centre (FMISC).	-6,680				
Support service departmental recharges have been revised following a review of staff time allocations and the departmental restructure, resulting in an increase in costs in this area.			22,010		
<b>Total Council Tax</b>					<b>20,030</b>

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
<b>COMPR: Computer Services</b>					
An increase in the allocation of insurance costs.	1,210				
A change of software maintenance supplier has generated one-off costs in the interim, but which will generate future annual savings. The current year additional costs have been funded through virements.	2,900				
As part of the restructuring and review of departmental budgets, the staffing costs of the Computer Services team were brought under the departmental cost centre RESOR (Resources Department). As a result the new recharge in to this service area from the RESOR (Resources Department) cost centre has substantially increased, reflecting the oncosted staff costs now being brought in under Support Services.			194,620		
Increase to overall net cost of the service as a result of the reasons listed above has increased recharges out to other service areas.			-198,250		
<b>Total Computer Services</b>					<b>480</b>

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
<b>CORPM: Corporate Management</b>					
The net position across support services has seen a small decrease in charges to this service area.			-1,340		
<b>Total Corporate Management</b>					<b>-1,340</b>
<b>COSDM: Cost of Democracy</b>					
Support service departmental recharges have been revised following a review of staff time allocations and the departmental restructure increasing costs in this area.			10,560		
<b>Total cost of democracy</b>					<b>10,560</b>
<b>CSERV: Corporate Services</b>					
Reduction in support service costs mainly from the Resources Department. This is mainly as a result of the restructuring and merging of cost centres, as there has only been a marginal change in time charged to this service.			-22,510		
<b>Total Corporate services</b>					<b>-22,510</b>

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
<b>ELADM: Election Administration</b>					
Recharge costs in from other departments following an analysis of time spent for 2018/19 on elections administration tasks.			1,270		
<b>Total Election Administration</b>					<b>1,270</b>
<b>ELECT: Register of Electors</b>					
There has been a reduction in postage costs due to a lower number of forms needing to be delivered.	-1,970				
Individual Electoral Registration grant received in year.		-25,400			
<b>Total Register of Electors</b>					<b>-27,370</b>
<b>EMERG: Community Safety</b>					
There has been a reduction to the budget for Equipment and Materials based on the pattern of spend seen over recent years and the demands anticipated for the remainder of the financial year.	-1,390				
<b>Total Community Safety</b>					<b>-1,390</b>

**POLICY AND FINANCE COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
<b>ESTAT: Estates</b>					
Repairs and maintenance requirements for the year are lower than expected allowing for prioritisation of expenditure on other areas.	-2,170				
There has been an increase to one off repairs and maintenance costs including a supplementary estimate for remedial works following fire risk assessments at the over 60's club at Longridge, as approved at Policy and Finance Committee in June 2018.	7,140				
Support service departmental recharges have been reviewed following a review of staff time allocations and the departmental restructure.	1,330				
Increase to estimated legal costs following a number of valuations being carried out. The budget has been based on actual expenditure and commitments to date.	4,180				
Increased depreciation charge as a result of a revaluation of various sites at the end of the last financial year.				9,260	
<b>Total Estates</b>					<b>19,740</b>

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
<b>FMISC: Finance Miscellaneous</b>					
Reduction in external audit fees (Housing Benefits Subsidy audit) budget to reflect the new locally agreed charge.	-3,010				
Reduction in income from VAT shelter money paid by Onward Homes. This is due to a dramatically lower level of spend that falls under the VAT shelter arrangements by Onward Homes. This also impacts on the level of sums transferred to earmarked reserves as shown below.		68,370			
The council's bank charges were previously recharged out to other services/committees, but will now remain under this cost centre as corporate banking charges. Therefore they show as an increase in costs under this cost centre.		13,050			
Increased costs in respect of the charges incurred by the council from accepting credit and debit card payments. This charge was previously netted off the council's interest receipts, but is now shown here as part of the council's corporate banking charges.	21,500				
<b>Total Finance Miscellaneous</b>					<b>99,910</b>

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

**ANNEX 1**

	<b>MOVEMENT IN EXPENDITURE £</b>	<b>MOVEMENT IN INCOME £</b>	<b>MOVEMENT IN SUPPORT SERVICES £</b>	<b>MOVEMENT IN CAPITAL £</b>	<b>TOTAL MOVEMENT £</b>
<b>LANDC: Land Charges</b>					
Increase to insurance costs following reviews of claims history and inflationary increase above that originally estimated.	1,350				
Support service departmental recharges have been revised following a review of staff time allocations and the departmental restructure decreasing costs in this area.			-2,330		
There has been a sizeable reduction in income from search fees, in part from more recent national challenges to the charges that are made.		17,190			
Income estimate revised in respect of search fees (non-vatable) based on an analysis of income received in the current year at the date of review plus an estimate for the remainder of the year.		1,250			

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
An increase in the number of land searches undertaken for external companies has resulted in an increase in the estimated income for the year.		-3,000			
<b>Total Land Charges</b>					
<b>LICSE: Licensing</b>					
Support service departmental recharges have been revised following a review of staff time allocations and the departmental restructure decreasing costs in this area.			-12,270		
Estimated income for premises licenses has been increased following a review based on a rolling full year average		-3,290			
<b>Total Licensing</b>					<b>-15,560</b>
<b>NNDRC: National Non Domestic Rates</b>					

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Finder fees payable to a third party for locating new businesses liable for NNDR. This should result in an increase in business rates collected and retained.	8,920				
Support service departmental recharges have been revised following a review of staff time allocations and the departmental restructure increasing costs in this area.			2,390		
The council receives an annual grant from central government for the cost of collecting NNDR. The estimate has been revised down to reflect the actual grant to be received this year.		1,840			
<b>Total National Non Domestic Rates</b>					<b>13,150</b>
<b>PERFM: Performance reward grants</b>					

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
The small budget that was provided here for the distribution of the residual Performance Reward Grant has been removed as there are no imminent payments due. Should any arise, these will be funded from the earmarked reserve set aside for this purpose	-2,650				
<b>Total Performance Reward Grant</b>					-2,650
<b>RESOR: Resources Department</b>					
Employee turnover to date is below that budgeted for, resulting in an increase in expenditure on direct employee costs. Also there has been a reallocation of costs for the annual deficit recovery payment for superannuation.	25,410				
The training budget has been reduced at revised estimate to account for a virement of £1,200 across to computer services to fund one off costs associated with a change of supplier. An additional £580 has been moved to the FMISC budget code where the training element of the financial advisory network subscription will be charged going forward.	-1,780				

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Increase to insurance costs following reviews of claims history and inflationary increase above that originally estimated.	1,370				
The estimate for mileage allowances has been reduced following an analysis of spend to date.	-1,600				
Non-recurring purchases brought in to the revised estimate as follows: Software and consultancy costs to aid compliance with the HMRC 'making tax digital' agenda £4,320, Consultancy fee to improve upon the reporting capabilities of the financial information system £2,720 (funds have been diverted from travel expenses £620, telephone system £1,000 and conference expenses £1,100 to pay for this) and costs to expand the council's online payments facility £9,140 as approved by Policy and Finance committee on 20th November 2018.	16,180				
Diversion of funds from the telephone budget to fund non-recurring purchases as shown above and following current year analysis of expected spend.	-1,000				

**POLICY AND FINANCE COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

**ANNEX 1**

	<b>MOVEMENT IN EXPENDITURE £</b>	<b>MOVEMENT IN INCOME £</b>	<b>MOVEMENT IN SUPPORT SERVICES £</b>	<b>MOVEMENT IN CAPITAL £</b>	<b>TOTAL MOVEMENT £</b>
Diversion of budget to fund non-recurring purchases as above and following current year analysis of expected spend on conference expenses for the 2018/19 financial year	-1,100				
An increase to the purchase of equipment and materials budget to incorporate increased to fixed costs of enterprise licenses that were approved at P&F Committee in November 2017	1,410				
Increase to the current year photocopying budget following an analysis of current year spend and to incorporate an increase to fixed rental costs.	1,190				
Increase to the software maintenance budget to bring in an estimate for cost of double layer security when resetting passwords on the ICON system (£1,980) and for the revenue implications of a system upgrade for the financial system to web version required this year (£2,800).	4,780				

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

**ANNEX 1**

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
The costs of bank charges were previously partly recharged here, but going forward they are now to be held under the Policy and Finance Miscellaneous cost centre (FMISC).	-5,210				
Support service departmental recharges have been revised following a review of staff time allocations and the departmental restructure increasing costs in this area.			54,570		
Reduction to the depreciation charge due to a number of items becoming fully depreciated.				-10,040	
Apprenticeship grant receivable this financial year under the apprenticeship scheme.		-1,000			
Recharge of tuition fees to terminated employee under the employee/employer contract for funding of qualification training.		-1,600			

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Increase to net cost of the service overall as a result of the reasons listed above has resulted in increased recharges out to other service areas.			-77,030		
<b>Total Resources Department</b>					<b>4,550</b>
<b>Other Variances</b>	-13,080	-3,130	-5,910	-10	<b>-22,130</b>
<b>Subtotal</b>	<b>83,070</b>	<b>67,360</b>	<b>-77,530</b>	<b>11,570</b>	<b>84,470</b>
<b>MOVEMENT IN EARMARKED RESERVES</b>					
<b>FNBAL/H326</b> <b>Performance Reward Grant (PRG) Reserve:</b> Decrease in the contribution required to fund Grants in 2018/19.	2,650				<b>2,650</b>
<b>FNBAL/H262</b> <b>ICT Reserve:</b> Contribution required to fund a number of items that were not able to be completed at the end of March 2018, but now completed in year.	-9,140	970			<b>-8,170</b>

**POLICY AND FINANCE COMMITTEE**  
**VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
<b>FNBAL/H288</b> <b>Pensions Triennial Revaluation Reserve</b> Contribution to reserve to equalise the difference between prepaid superannuation and the estimate of what is due to be paid.	-260				-260
<b>FNBAL/H325</b> <b>Vat Shelter Reserve:</b> There is a decrease in the contribution to the reserve due to a decrease in the anticipated income to be received from Onward Homes under the agreement.	-68,370				-68,370
<b>Total Movement in Earmarked Reserves</b>	-75,120	970	0	0	-74,150
<b>Total Movement</b>	7,950	68,330	-77,530	11,570	10,320

## ACTUAL TO DATE WITH ORIGINAL ESTIMATE AND PROPOSED REVISED ESTIMATE

Cost Centre	Description	Original Estimate to End December	Actual and Commitments to end December	Full Year Original Estimate	Proposed Revised Estimate
CEEXEC	Chief Executives Department	900,652	931,156	0	0
CIVCF	Civic Functions	36,677	31,911	60,220	56,980
CIVST	Civic Suite	21,077	16,451	0	0
CLOFF	Council Offices	150,589	163,822	0	0
CLTAX	Council Tax	41,949	58,585	337,060	356,830
COMPR	Computer services	74,058	85,958	0	0
CORPM	Corporate Management	0	0	340,540	339,200
COSDM	Cost of Democracy	182,478	179,754	450,060	459,640
CSERV	Corporate Services	28,162	12,453	185,780	155,220
DISTC	District Elections	0	52	0	60
ELADM	Election Administration	0	0	5,370	6,640
ELECT	Register of Electors	57,651	26,683	106,150	77,590
EMERG	Community Safety	7,023	3,268	64,130	64,060
ESTAT	Estates	-14,988	-13,983	60,310	80,960
FGSUB	Grants & Subscriptions - Policy & Finance	127,421	128,308	167,320	167,190
FMISC	Policy & Finance Miscellaneous	25,406	53,191	-61,370	30,640
LANDC	Land Charges	-53,311	-39,259	15,020	23,630
LICSE	Licensing	-76,179	-77,122	43,050	27,280
LUNCH	Luncheon Clubs	13,170	0	14,280	14,300
NNDRC	National Non Domestic Rates	9,087	-15,987	41,840	54,130

## ACTUAL TO DATE WITH ORIGINAL ESTIMATE AND PROPOSED REVISED ESTIMATE

Cost Centre	Description	Original Estimate to End December	Actual and Commitments to end December	Full Year Original Estimate	Proposed Revised Estimate
PARIS	Parish Elections	0	4,255	0	4,260
PERFM	Performance Reward Grants	0	0	3,430	0
RESOR	Resources Department	1,457,629	1,474,543	0	0
SUPDF	Superannuation Deficiency Payments	63,753	63,104	97,600	96,650
<b>Committee Subtotal</b>		<b>3,052,304</b>	<b>3,087,143</b>	<b>1,930,790</b>	<b>2,015,260</b>
<b>Earmarked Reserves</b>					
<b>FNBAL/H326</b>	Performance Reward Grants Reserve	0	0	-2,650	0
<b>FNBAL/H230</b>	Election Reserve	22,990	22,990	22,990	22,990
<b>FNBAL/H269</b>	Revaluation Reserve	2,110	2,110	2,110	2,110
<b>FNBAL/H321</b>	Vat Shelter Reserve	0	0	108,080	39,710
<b>FNBAL/H288</b>	Pensions Triennial Revaluation Reserve	0	0	33,320	33,060
<b>FNBAL/H362</b>	IT Repairs & Renewal Reserve	-3,970	-12,140	-3,970	-12,140
<b>Subtotal Earmarked Reserves</b>		<b>21,130</b>	<b>12,960</b>	<b>159,880</b>	<b>85,730</b>
<b>Total</b>		<b>3,073,434</b>	<b>3,100,103</b>	<b>2,090,670</b>	<b>2,100,990</b>

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7b

meeting date: 22 JANUARY 2019  
title: ORIGINAL REVENUE BUDGET 2019/20  
submitted by: DIRECTOR OF RESOURCES  
principal author: VALERIE TAYLOR

## 1 PURPOSE

- 1.1 To agree the draft revenue budget for 2019/20, for consideration at Special Policy and Finance Committee.

## 2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

- 2.1 In September we updated the Council's four year Budget Forecast which predicted budget gaps as follows: £101k in 2019/20, £225k in 2020/21, £426k in 2021/22.
- 2.2 2019/20 is the final year of multi-year grant settlement which we signed up to and as such we would not expect our allocations to change from those previously announced. You may recall we were anticipating negative Revenue Support Grant (RSG) for 2019/20 of £108,866.
- 2.3 In October the Government consulted on proposals to eliminate negative RSG. We were advised at the same time that the New Homes Bonus (NHB) threshold may increase from its current national level of 0.4% which would reduce the amount of NHB we would receive.
- 2.4 In addition this Council along with 14 other authorities in Lancashire submitted a bid to be a Pilot for 75% Business Rate Retention.
- 2.5 None of these potential changes were included in the September budget forecast.

## 3 2019/20 PROVISIONAL LOCAL GOVERNMENT SETTLEMENT

- 3.1 On 13 December 2018 the Government announced the provisional finance settlement. The announcement had been delayed by a week due to the BREXIT debate.
- 3.2 The headlines for Ribble Valley are:
- Negative RSG has been eliminated gaining us £109k.
  - Rural Services Delivery Grant has been increased back to the same level as 2018/19 gaining us £21k.
  - NHB threshold remains at 0.4%.

- Our Business Rates Pilot bid has been successful. How much we gain from this will depend on our actual Business Rate growth in 2019/20 but estimates suggest this could be in the region of £400k. Some of this will be set aside to fund losses and also to fund Lancashire wide strategic economic growth projects.
- The Government are returning to local authorities the levy account surplus.

3.3 The Government also announced consultations on the future of Business Rate Retention and the Fair Funding Review which may have a significant impact on our financial position beyond 2019/20. These will be considered by the Budget Working Group.

3.4 In summary the 2019/20 provisional settlement has improved the council's financial position compared with the budget forecast in September.

#### 4 BUDGET PROCESS

4.1 Presented to committee for decision in November were the proposed fees and charges for 2019/20. The consequential impact of these approved fees and charges have been incorporated in to the service budgets shown within this report.

4.2 Following a great deal of in-depth service analysis and meetings with regard to this committees budgets by the council's accountants, budget holders, heads of service and management team, a proposed draft budget is now presented to members. This budget is agreed as that which best reflects the services of this committee for the next financial year.

4.3 When all committees have approved their detailed estimates the overall position will be considered by Budget Working Group.

4.4 The Budget Working Group will then make recommendations in order to produce a balanced budget for consideration at the Special meeting of Policy and Finance Committee. The final budget report will then be presented to Full Council, at which point the Council Tax for 2019/20 will also be approved.

#### 5 2019/20 DRAFT REVENUE BUDGET

5.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for pay increases at 3% and price increases at 2%.

5.2 Within this report the budget is shown in the same manner in which they are reviewed. Each costs centre within the report is shown individually. Behind each costs centre is a great deal more subjective level detailed budgets, but for the purposes of this report they are summarised in to the standard local government CIPFA Service Reporting Code of Practice basis.

- **Employee Related:** this group includes the cost of employees, both direct and indirect to the council.
- **Premises Related:** this group includes expenses directly related to the running of premises and land.

- **Transport Related:** this group includes all costs associated with the provision, hire or use of transport, including travelling allowances.
- **Supplies and Services:** this group includes all direct supplies and service expenses to the council.
- **Third Party Payments:** a third party payment is a payment to an external provider which is operating independently, in return for the provision of a service.
- **Transfer Payments:** this includes the cost of payments to individuals for which no goods or services are received in return by the local authority. A key item here would be the payment of housing benefits.
- **Support Services:** charges for services that support the provision of services to the public. At this council the main support service cost is the support from staff based at the council offices building and the building's associated cost.
- **Depreciation and Impairment:** this is the revenue impact of capital items shown in the service revenue accounts of the council.
- **Income:** this includes income from fees and charges, grants, donations and contributions. Also shown here is the associated 'income' to a support service from the redistribution of its costs to those providing services to the public.

5.3 As you will see, the draft proposed budget for 2019/20 for each service area is also built up looking at a number of stages. The starting point is the base budget, being the Original Estimate for the current financial year. A summary of the various elements is given below.

- **Original Estimate 2018/19:** This represents the base budget for the council and assumes no change in service level from that set for the previous year's original estimate.
- **Savings:** Here any savings or additional income that is identified from past service experience or trends would be brought in to the budget to adjust the base budget.
- **Inflation at 3% Pay and 2% Other:** The budget forecast allows for inflation on pay at 3% and prices at 2% (with some exceptions such as grants). This is where that general allowance for inflation is brought in to the individual budget areas. This is the second year of a two year pay award that has already been settled.
- **Variation to Standard Budgeted Inflation %:** Inevitably, as we undertake detailed work on the budget it becomes evident that there are some items of income or spend that experience a greater or lower level of inflation. This is where we adjusted for those differing levels of inflation. An example is energy costs.
- **Unavoidable Changes to Service Costs:** This relates to changes to a service, for example where costs are demand driven.
- **Support Services:** Any changes that relate to the recharging of support service costs are included in this column.

- **Capital:** Any changes relating to depreciation and impairment are included in this column.
- **DRAFT Original Estimate 2019/20:** The final column is the total of all preceding columns and is constructed from the base budget and any necessary changes to the base that are needed. If approved this will then form the base budget in next year's budget process.

5.4 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2018/19 Original Estimate, to the DRAFT Original Estimate for 2019/20. Comments are also provided on the main variances.

6 COMMITTEE SERVICE ESTIMATES

6.1 **Cost Centre and Description** CEXEC: Chief Executives Department

The Chief Executive’s Department comprises two service units: Legal and Democratic Services and Environmental Health. Legal and Democratic services provide the council with advice on legal issues and support to the democratic process, it also has responsibility for the Committee Services section, which prepares and distributes agendas, and offers support to the Borough Mayor. Environmental Health provides commercial and domestic environmental health support and also the building control function within the area.

Previously included under this department was the Regeneration and Housing Section. This now comes under the Economic Development and Planning Department, which falls under the Planning and Development Committee.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
<b>Employee Related Expenditure</b>	1,134,100		33,770	210	-111,290			1,056,790
<b>Transport Related Expenditure</b>	26,660		530		-1,570			25,620
<b>Supplies &amp; Services</b>	41,890		830		-1,510			41,210
<b>Support Services</b>	216,520		0			-5,970		210,550
<b>Total Expenditure</b>	<b>1,419,170</b>	<b>0</b>	<b>35,130</b>	<b>210</b>	<b>-114,370</b>	<b>-5,970</b>	<b>0</b>	<b>1,334,170</b>
<b>Other Grants and Contributions</b>	-8,810		0					-8,810
<b>Departmental Recharges</b>	-1,395,200		0			83,780		-1,311,420
<b>Miscellaneous Recharges</b>	-13,830		0			450		-13,380
<b>Total Income</b>	<b>-1,419,170</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>800</b>	<b>84,230</b>	<b>0</b>	<b>-1,334,170</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>35,100</b>	<b>210</b>	<b>-113,570</b>	<b>78,260</b>	<b>0</b>	<b>0</b>

## **CEXEC: Chief Executives Department**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

Reduced salary costs due to the departmental restructure. Salaries have now been estimated based upon the Establishment List for Chief Executive's department. The reduction is in respect of the Regeneration and Housing Section moving to the Economic Development and Planning Department, which is included under the Planning and Development Committee budgets.

#### **Transport Related Expenditure**

Transport related expenditure in this area has been reduced overall by a transfers of budgets across to the economic development and planning department following the restructure undertaken in 2018/19 and also by a reduction to the anticipated spend on employee mileage following a review of claims.

#### **Supplies & Services**

A reduction due to the reallocation of some costs to the new Economic Development and Regeneration Department following the transfer of the Regeneration and Housing section.

#### **Support Services**

A reduction in recharges to the Chief Executive's department, particularly due to the impact of the restructuring.

#### **Departmental/Miscellaneous Recharges**

The decrease in net expenditure is reflected in a decrease in recharges to other services.

6.2 **Cost Centre and Description** CIVCF: Civic Functions

The costs included here relate to all mayoral expenditure including the mayoral and deputy mayoral allowances and costs incurred in relation to events, functions, mayoral transport and the cost of associated support services.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	12,450		370	70	0			12,890
<b>Premises Related Expenditure</b>	810		20		170			1,000
<b>Transport Related Expenditure</b>	6,460		130	-90	-30			6,470
<b>Supplies &amp; Services</b>	22,000		440		-20			22,420
<b>Support Services</b>	18,500		0			150		18,650
<b>Total Expenditure</b>	<b>60,220</b>	<b>0</b>	<b>960</b>	<b>-20</b>	<b>120</b>	<b>150</b>	<b>0</b>	<b>61,430</b>
<b>Net Expenditure</b>	<b>60,220</b>	<b>0</b>	<b>960</b>	<b>-20</b>	<b>120</b>	<b>150</b>	<b>0</b>	<b>61,430</b>

6.3 **Cost Centre and Description** CIVST: Civic Suite

All running costs for the civic suite are shown here, including staffing and cleaning of the facility. On occasions the civic suite is hired out to external organisations, for which a charge is made. Council departments are also charged a proportion of the running costs.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	11,040		310	460	50			11,860
<b>Premises Related Expenditure</b>	22,670		440	-80	-1,120			21,910
<b>Supplies &amp; Services</b>	2,160		40		-220			1,980
<b>Support Services</b>	8,760		0			170		8,930
<b>Depreciation and Impairment</b>	15,050		0				9,560	24,610
<b>Total Expenditure</b>	<b>59,680</b>	<b>0</b>	<b>790</b>	<b>380</b>	<b>-1,290</b>	<b>170</b>	<b>9,560</b>	<b>69,290</b>
<b>Customer &amp; Client Receipts</b>	-4,540		-90					-4,630
<b>Departmental Recharges</b>	-55,140		0			-9,520		-64,660
<b>Total Income</b>	<b>-59,680</b>	<b>0</b>	<b>-90</b>	<b>0</b>	<b>0</b>	<b>-9,520</b>	<b>0</b>	<b>-69,290</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>700</b>	<b>380</b>	<b>-1,290</b>	<b>-9,350</b>	<b>9,560</b>	<b>0</b>

**CIVST: Civic Suite**

**Commentary on substantial budget changes**

**Premises Related Expenditure**

Repairs and maintenance requirements for the year assessed at a corporate level allowing for prioritisation of expenditure on other areas

**Depreciation**

Increase in depreciation costs as a result of the past spend under the Civic Suite Upgrade capital scheme

**Departmental Recharges**

An overall increase to the net cost of the civic suite for the reasons detailed above increases cost of the recharge out to other service areas

## 6.4 Cost Centre and Description

CLOFF: Council Offices

This budget is for the cost of our main council offices in Clitheroe. All running costs are collated under this budget and then recharged to the services that use the building.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	51,980		1,550	4,320	910			58,760
Premises Related Expenditure	164,280		3,280	2,530	-4,810			165,280
Supplies & Services	9,190		170		0			9,360
Third Party Payments	1,070		20					1,090
Support Services	22,390		0			450		22,840
Depreciation and Impairment	35,340		0				15,230	50,570
<b>Total Expenditure</b>	<b>284,250</b>	<b>0</b>	<b>5,020</b>	<b>6,850</b>	<b>-3,900</b>	<b>450</b>	<b>15,230</b>	<b>307,900</b>
Customer & Client Receipts	-33,250		-670	-410	5,350			-28,980
Departmental Recharges	-251,000		0			-27,920		-278,920
<b>Total Income</b>	<b>-284,250</b>	<b>0</b>	<b>-670</b>	<b>-410</b>	<b>5,350</b>	<b>-27,920</b>	<b>0</b>	<b>-307,900</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>4,350</b>	<b>6,440</b>	<b>1,450</b>	<b>-27,470</b>	<b>15,230</b>	<b>0</b>

## **CLOFF: Council Offices**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

An analysis has been undertaken of employee costs to ensure budget incorporates the approved NJC pay award due to be implemented in April 2019 offset by a turnover provision of 4%. A number of roles which fall under this service will see a higher percentage increase to pay than the standard pay inflation percentage.

#### **Premises Related Expenditure**

Premises related expenditure includes estimated charges of £2.5k above the 2% standard budgeted inflation for national non domestic rates and general utilities offset by an anticipated reduction to the number of chargeable electricity units to the value of £3k included within unavoidable changes. Other unavoidable changes include a reduction to the estimated cost of premises insurance following a revaluation of the council offices which has reduced the rebuild estimate.

#### **Depreciation and Impairment**

Depreciation costs have increased as a result of recent capital schemes and also the revaluation of the premises for accounting purposes at the last year-end.

#### **Customer and Client Receipts**

Termination of the contract to utilise the main council offices for the phone mast has resulted in reduced income for 2019/20 of £7.8k which is partially offset by an increase to room rental income of £2.5k

#### **Departmental Recharges**

The increase in net expenditure is reflected in an increase in recharges to other services.

6.5 **Cost Centre and Description**

CLTAX: Council Tax

This budget is for the cost of administration and collection of council tax. It includes the costs of maintaining the software, postages, bailiff fees, court costs, share of bank charges and support services costs. The support costs include staffing cost of the council tax section and also cashiers section, together with and the cost of support from financial services, computer services, legal services and organisation and member development. These are offset by income from court fees and summonses.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Supplies &amp; Services</b>	75,650	-4,460	1,420	1,040	-2,070			71,580
<b>Support Services</b>	349,510		0			40,580		390,090
<b>Total Expenditure</b>	<b>425,160</b>	<b>-4,460</b>	<b>1,420</b>	<b>1,040</b>	<b>-2,070</b>	<b>40,580</b>	<b>0</b>	<b>461,670</b>
<b>Customer &amp; Client Receipts</b>	-85,580		0		1,880			-83,700
<b>Other Grants and Contributions</b>	-2,520		0					-2,520
<b>Total Income</b>	<b>-88,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,880</b>	<b>0</b>	<b>0</b>	<b>-86,220</b>
<b>Net Expenditure</b>	<b>337,060</b>	<b>-4,460</b>	<b>1,420</b>	<b>1,040</b>	<b>-190</b>	<b>40,580</b>	<b>0</b>	<b>375,450</b>

## **CLTAX: Council Tax**

### **Commentary on Substantial Budget Changes**

#### **Supplies and Services**

Variation to standard budgeted inflation figure is in respect of postage costs for 2019/20 which are increasing by more than inflation. Unavoidable changes are mainly a total of the following: a £5,000 increase to postage costs to build in an increase to the number of letters being issued, a -£4,550 decrease to the estimated annual cost of issuing council tax liability orders following a reduction to the statutory court fee and a reduction of -£6,810 relating to recharged bank charges, which will now remain on the FMISC cost centre as a corporate cost.

#### **Support Services**

Support service departmental recharges have been revised for 2019/20 following a review of staff time allocations and the departmental restructure increasing costs in this area. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

#### **Customer and Client Receipts**

An increase to the annual estimated value of recoverable council costs in respect of court summonses which is based on a rolling full year estimate

6.6 **Cost Centre and Description**

COMPR: Computer Services

The Computer (ICT) Services Section function supports all the services in the council where there is an ICT reliance. It is responsible for the installation and development of the computer based systems of the council. Management of the data protection responsibilities of the council also falls within this service area. These costs are fully recharged to service users. Additionally, digital communications such as the corporate website and work on the main corporate social media accounts is undertaken within this service

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Premises Related Expenditure</b>	1,660		30		1,240			2,930
<b>Supplies &amp; Services</b>	74,580		1,480	1,120				77,180
<b>Support Services</b>	37,740		0			198,890		236,630
<b>Depreciation and Impairment</b>	10,230		0				-10	10,220
<b>Total Expenditure</b>	<b>124,210</b>	<b>0</b>	<b>1,510</b>	<b>1,120</b>	<b>1,240</b>	<b>198,890</b>	<b>-10</b>	<b>326,960</b>
<b>Departmental Recharges</b>	-124,210		0			-202,750		-326,960
<b>Total Income</b>	<b>-124,210</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-202,750</b>	<b>0</b>	<b>-326,960</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>1,510</b>	<b>1,120</b>	<b>1,240</b>	<b>-3,860</b>	<b>-10</b>	<b>0</b>
<b>Associated Movement in Earmarked Reserves</b>	-3,970		-80		4,050			0
<b>Net After Earmarked Reserves</b>	<b>-3,970</b>	<b>0</b>	<b>1,430</b>	<b>1,120</b>	<b>5,290</b>	<b>-3,860</b>	<b>-10</b>	<b>0</b>

## **COMPR: Computer Services**

### **Commentary on Substantial Budget Changes**

#### **Premises Related Expenditure**

An increase in insurance costs.

#### **Supplies & Services**

Increased costs above the standard inflation, largely due to increased software maintenance contracts above the standard inflation level.

#### **Support Services**

As part of the restructuring and review of departmental budgets, the staffing costs of the Computer Services team were brought under the departmental cost centre RESOR (Resources Department). As a result the new recharge in to this service area from the RESOR (Resources Department) cost centre has substantially increased, reflecting the oncosted staff costs now being brought in under Support Services.

#### **Departmental Recharges**

An increase to the net cost of the computer services section for the reasons detailed above increases the value of the recharge out to other service areas.

#### **Movement in earmarked reserves**

Removal of the requirement to use resources from earmarked reserves to support the service.

6.7 **Cost Centre and Description**                      CORPM: Corporate Management

Corporate Management concerns those activities and costs that provide the infrastructure to allow services to be provided and the information that is required for public accountability. This budget includes staff indirectly employed on corporate issues such as corporate planning, council and corporate policy making, preparation of published accounts, publicity, estimating and accounting for precepts.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Support Services</b>	340,540		0			2,060		342,600
<b>Total Expenditure</b>	<b>340,540</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,060</b>	<b>0</b>	<b>342,600</b>
<b>Net Expenditure</b>	<b>340,540</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,060</b>	<b>0</b>	<b>342,600</b>

**CORPM: Corporate Management**  
**Commentary on Substantial Budget Changes**

**Support Services**  
 Increase in charges to this cost centre, notably from the Chief Executive's Department due to the impact of the restructuring

6.8 **Cost Centre and Description** COSDM: Cost of Democracy

This budget includes member allowances, special responsibility allowances, member travel expenses, council meeting expenses and miscellaneous costs relating to members.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	3,760		110	0	-20			3,850
Supplies & Services	238,660		4,760	50	-810			242,660
Support Services	207,640		0			19,120		226,760
<b>Total Expenditure</b>	<b>450,060</b>	<b>0</b>	<b>4,870</b>	<b>50</b>	<b>-830</b>	<b>19,120</b>	<b>0</b>	<b>473,270</b>
<b>Net Expenditure</b>	<b>450,060</b>	<b>0</b>	<b>4,870</b>	<b>50</b>	<b>-830</b>	<b>19,120</b>	<b>0</b>	<b>473,270</b>

**COSDM: Cost of Democracy**

**Commentary on Substantial Budget Changes**

**Support Services**

Support service departmental recharges have increased for 2019/20 following a review of staff time allocations and the departmental restructure increasing the recharge cost in this area. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

6.9 **Cost Centre and Description**

CSERV: Corporate services

Costs here relate to performance management, policy development and review, consultation and corporate communications. This includes the production of the Ribble Valley News publication.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	31,580	-930	610		150			31,410
Support Services	154,200		0			-22,380		131,820
<b>Total Expenditure</b>	<b>185,780</b>	<b>-930</b>	<b>610</b>	<b>0</b>	<b>150</b>	<b>-22,380</b>	<b>0</b>	<b>163,230</b>
<b>Net Expenditure</b>	<b>185,780</b>	<b>-930</b>	<b>610</b>	<b>0</b>	<b>150</b>	<b>-22,380</b>	<b>0</b>	<b>163,230</b>

**CSERV: Corporate Services**

**Commentary on Substantial Budget Changes**

**Support Services**

Support service departmental recharges have been decreased for 2019/20 following a review of staff time allocations. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

6.10 **Cost Centre and Description**

DISTC: District Elections

Shown here are the costs of holding the local elections, being once every four years. An earmarked reserve is set aside to fund this cost. The next elections are in 2019.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	0		0		120,000			120,000
<b>Total Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120,000</b>	<b>0</b>	<b>0</b>	<b>120,000</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120,000</b>	<b>0</b>	<b>0</b>	<b>120,000</b>
Associated Movement in Earmarked Reserves	22,990		460		-113,450			-90,000
<b>Net After Earmarked Reserves</b>	<b>22,990</b>	<b>0</b>	<b>460</b>	<b>0</b>	<b>6,550</b>	<b>0</b>	<b>0</b>	<b>30,000</b>

**DISTC: District Elections**

**Commentary on Substantial Budget Changes**

**Employee Related Expenditure**

Shown here are the anticipated costs of running the district election for 2019

**Associated Movement in Earmarked Reserves**

The costs of the district elections is met from an earmarked reserve, where resources are set aside on an annual basis. Shown here is the release of £120,000 to fund the election in year, and the set aside of £30,000 in preparation for the next election in four years time.

## 6.11 Cost Centre and Description

ELADM: Election Administration

This budget is for the cost of administering elections to the council. It only covers the support service costs.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Support Services	5,370		0			19,290		24,660
<b>Total Expenditure</b>	<b>5,370</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,290</b>	<b>0</b>	<b>24,660</b>
<b>Net Expenditure</b>	<b>5,370</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,290</b>	<b>0</b>	<b>24,660</b>

**ELADM: Election Administration****Commentary on Substantial Budget Changes****Support Services**

Support service departmental recharges have been increased for OE1920 following a review of staff time allocations. The increase is largely as a result of increased time charged from the Chief Executive's department.

6.12 **Cost Centre and Description** ELECT: Register of Electors

The council has a statutory duty to compile and maintain a register of all those entitled to vote.

Canvassers collect information on individuals living in the Ribble Valley which together with information from pre-printed forms posted out, are used to compile a register. The budget covers employee costs, printing and stationery costs, software maintenance costs and postages. Once completed part of the register is available for sale. Recently there has been a move from household information to an individual register, this has been grant funded with an earmarked reserve set up to fund future costs.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	11,030		330		-680			10,680
Supplies & Services	50,480		1,000	1,960				53,440
Support Services	45,970		0			840		46,810
<b>Total Expenditure</b>	<b>107,480</b>	<b>0</b>	<b>1,330</b>	<b>1,960</b>	<b>-680</b>	<b>840</b>	<b>0</b>	<b>110,930</b>
Customer & Client Receipts	-1,330		-30					-1,360
<b>Total Income</b>	<b>-1,330</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,360</b>
<b>Net Expenditure</b>	<b>106,150</b>	<b>0</b>	<b>1,300</b>	<b>1,960</b>	<b>-680</b>	<b>840</b>	<b>0</b>	<b>109,570</b>

**ELECT: Register of Electors**

**Commentary on Substantial Budget Changes**

**Supplies & Services**

There has been an increase to level of costs associated with postages, due to an increase in unit prices

## 6.13 Cost Centre and Description

## EMERG: Community Safety

The Council is designated as a Category 1 responder under the Civil Contingency Act and as such is required to work with other agencies to develop and provide a suitable robust response to a range of identified local civil emergency risks.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	10,400	-450	200	-30	-2,540	-290		7,290
Third Party Payments	0		0		1,120			1,120
Support Services	53,730		0			3,070		56,800
<b>Total Expenditure</b>	<b>64,130</b>	<b>-450</b>	<b>200</b>	<b>-30</b>	<b>-1,420</b>	<b>2,780</b>	<b>0</b>	<b>65,210</b>
<b>Net Expenditure</b>	<b>64,130</b>	<b>-450</b>	<b>200</b>	<b>-30</b>	<b>-1,420</b>	<b>2,780</b>	<b>0</b>	<b>65,210</b>

**EMERG: Community Safety****Commentary on Substantial Budget Changes****Supplies and Services**

There has been a reduction to the budget for Equipment and Materials based on the pattern of spend seen over recent years and the future demands anticipated for 2019/20. Also costs relating to contributions to the Lancashire Resilience Forum have now been moved on to a separate code, which now falls under the category of Third Party Payments (see comments below - £1,120). Other reductions relate to lower telephone line costs.

**Third Party Payments**

**Costs** relating to contributions to the Lancashire Resilience Forum have now been moved on to a separate code, which now falls under this category of Third Party Payments (£1,120). This has been transferred from Supplies and Services (see comments above)

**Support Services**

Changes here largely relate to the impacts of the restructuring, but there has been a small increase in the level of time charged here from the Chief Executive's department.

## 6.14 Cost Centre and Description

ESTAT: Estates

The council has many assets, which include land and property. Individual Heads of Service manage the properties that support their operations and the legal section support this work.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Premises Related Expenditure	9,510	-30	180	40	-130			9,570
Supplies & Services	1,450		30		290			1,770
Support Services	34,690		0			-250		34,440
Depreciation and Impairment	55,090		0				11,560	66,650
<b>Total Expenditure</b>	<b>100,740</b>	<b>-30</b>	<b>210</b>	<b>40</b>	<b>160</b>	<b>-250</b>	<b>11,560</b>	<b>112,430</b>
Customer & Client Receipts	-40,430		-810	210	-1,040			-42,070
<b>Total Income</b>	<b>-40,430</b>	<b>0</b>	<b>-810</b>	<b>210</b>	<b>-1,040</b>	<b>0</b>	<b>0</b>	<b>-42,070</b>
<b>Net Expenditure</b>	<b>60,310</b>	<b>-30</b>	<b>-600</b>	<b>250</b>	<b>-880</b>	<b>-250</b>	<b>11,560</b>	<b>70,360</b>

**ESTAT: Estates****Commentary on Substantial Budget Changes****Depreciation and Impairment**

Increased depreciation charges due to the revaluation of assets, and also recent capital expenditure at Queensway Garages under the capital programme.

**Customer and Client Receipts**

Garages at Queensway have been brought back in to use following completion of a capital project to carry out repairs. This has resulted in an increased estimate for next year which is offset somewhat by reduced income in respect of ground rent, due to past freehold purchases on an ad-hoc basis.

6.15 **Cost Centre and Description**

FGSUB: Grants & Subscriptions - Policy and Fin

Within this budget are various Grants, Contributions and Subscriptions paid by the Council from this Committee. The major payments under this budget are to Citizen's Advice Bureau, Ribble Valley Crossroads and Local Government Association (subscription). In addition, the concurrent function grants (now merged together with the Parish Lengthsman grant under this heading) are allocated from this budget.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	12,560		250		-930			11,880
Transfer Payments	147,360		0	2,180	530			150,070
Support Services	7,400		0			320		7,720
<b>Total Expenditure</b>	<b>167,320</b>	<b>0</b>	<b>250</b>	<b>2,180</b>	<b>-400</b>	<b>320</b>	<b>0</b>	<b>169,670</b>
<b>Net Expenditure</b>	<b>167,320</b>	<b>0</b>	<b>250</b>	<b>2,180</b>	<b>-400</b>	<b>320</b>	<b>0</b>	<b>169,670</b>

**FGSUB: Grants & Subscriptions - Policy and Fin**

**Commentary on Substantial Budget Changes**

**Transfer Payments**

The inclusion of inflation on a variety of grants that are distributed under this cost centre

6.16 **Cost Centre and Description**

FMISC: Policy &amp; Finance Miscellaneous

Included in this budget are the council's external audit fees and charges for the council's bank accounts. Bank account charges are recharged to services at the end of the financial year.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	-32,240	-16,230	-970					-49,440
<b>Premises Related Expenditure</b>	570		20					590
<b>Supplies &amp; Services</b>	57,130	-3,010	1,080	-760	23,070			77,510
<b>Transfer Payments</b>	290		0		-290			0
<b>Support Services</b>	55,010		0			-10,250		44,760
<b>Total Expenditure</b>	<b>80,760</b>	<b>-19,240</b>	<b>130</b>	<b>-760</b>	<b>22,780</b>	<b>-10,250</b>	<b>0</b>	<b>73,420</b>
<b>Customer &amp; Client Receipts</b>	-200		0		150			-50
<b>Other Grants and Contributions</b>	-128,880	-9,200	0		108,080			-30,000
<b>Miscellaneous Recharges</b>	-13,050		0		13,050			0
<b>Total Income</b>	<b>-142,130</b>	<b>-9,200</b>	<b>0</b>	<b>0</b>	<b>121,280</b>	<b>0</b>	<b>0</b>	<b>-30,050</b>
<b>Net Expenditure</b>	<b>-61,370</b>	<b>-28,440</b>	<b>130</b>	<b>-760</b>	<b>144,060</b>	<b>-10,250</b>	<b>0</b>	<b>43,370</b>
<b>Associated Movement in Earmarked Reserves</b>	143,510		2,870	-2,160	-91,530			52,690
<b>Net After Earmarked Reserves</b>	<b>82,140</b>	<b>-28,440</b>	<b>3,000</b>	<b>-2,920</b>	<b>52,530</b>	<b>-10,250</b>	<b>0</b>	<b>96,060</b>

## **FMISC: Policy & Finance Miscellaneous**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

The saving is as a result of paying the council's employer current service pension contributions in full at the beginning of the year. The saving for 2019/20 is estimated to be £50,540 and is reflected under this budget heading.

#### **Supplies & Services**

The increased costs shown under supplies and Services is in respect of the charges incurred by the council from accepting credit and debit card payments. This charge was previously netted off the council's interest receipts, but is now shown here as part of the council's corporate banking charges.

#### **Support Services**

Support service departmental recharges have been decreased for 2019/20 following a review of staff time allocations. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

#### **Other Grants and Contributions**

Reduction in income from VAT shelter money paid by Onward Homes. This is due to a dramatically lower level of spend that falls under the VAT shelter arrangements by Symphony Homes - with a budget assumption of nil. This also impacts on the level of sums transferred to earmarked reserves as shown below. Under savings there is an additional amount shown in respect of the Lancashire Business Rates Pool and the admin charges that would be due as a result of the increased membership.

#### **Miscellaneous Recharges**

The council's bank charges were previously recharged out to other services, but will now remain under this cost centre as corporate banking charges.

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

Reduction in contribution to VAT shelter reserve due to a reduction in the level of VAT shelter receipts to be set aside from Onward Homes. This is partly offset by the setting aside of the pensions saving in to the superannuation adjustment reserve.

## 6.17 Cost Centre and Description

LANDC: Land Charges

The council holds and compiles the register of charges affecting properties, which then forms the basis of the local land charges search.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	1,910		40		1,380			3,330
Supplies & Services	13,510		270		-1,560			12,220
Support Services	85,270		0			-590		84,680
<b>Total Expenditure</b>	<b>100,690</b>	<b>0</b>	<b>310</b>	<b>0</b>	<b>-180</b>	<b>-590</b>	<b>0</b>	<b>100,230</b>
Government Grants	0		0					0
Customer & Client Receipts	-85,670	-2,940	-1,780		18,820			-71,570
<b>Total Income</b>	<b>-85,670</b>	<b>-2,940</b>	<b>-1,780</b>	<b>0</b>	<b>18,820</b>	<b>0</b>	<b>0</b>	<b>-71,570</b>
<b>Net Expenditure</b>	<b>15,020</b>	<b>-2,940</b>	<b>-1,470</b>	<b>0</b>	<b>18,640</b>	<b>-590</b>	<b>0</b>	<b>28,660</b>

## **LANDC: Land Charges**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

There has been an increase in insurance costs

#### **Supplies and Services**

The reduced costs seen here largely relates to reduced software costs

#### **Customer and Client Receipts**

There has been a sizeable reduction in income from search fees, in part from more recent national challenges to the charges that are made.

6.18 **Cost Centre and Description** LICSE: Licensing

The council has a statutory duty to licence premises that serve alcohol, provide regulated entertainment or permit gambling and issue personal licenses to individuals. In addition the council licenses hackney and private hire drivers, vehicles and operators.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	3,140		60		-340			2,860
Supplies & Services	21,940		430					22,370
Support Services	138,930		0			-9,910		129,020
<b>Total Expenditure</b>	<b>164,010</b>	<b>0</b>	<b>490</b>	<b>0</b>	<b>-340</b>	<b>-9,910</b>	<b>0</b>	<b>154,250</b>
Customer & Client Receipts	-117,820	-2,070	-2,180		450			-121,620
Other Grants and Contributions	-3,140		0			280		-2,860
<b>Total Income</b>	<b>-120,960</b>	<b>-2,070</b>	<b>-2,180</b>	<b>0</b>	<b>450</b>	<b>280</b>	<b>0</b>	<b>-124,480</b>
<b>Net Expenditure</b>	<b>43,050</b>	<b>-2,070</b>	<b>-1,690</b>	<b>0</b>	<b>110</b>	<b>-9,630</b>	<b>0</b>	<b>29,770</b>

**LICSE: Licensing**

**Commentary on Substantial Budget Changes**

**Support Services**

Support service departmental recharges have been decreased for 2019/20 following a review of staff time allocations and the departmental restructure decreasing costs in this area. As part of this there has also been a small decrease in time charged from the Chief Executive's department.

**Customer & Client Receipts**

Estimated income for licenses has been increased for the year following a review based on prior year rolling averages.

6.19 **Cost Centre and Description**

LUNCH: Luncheon Clubs

Financial support is provided by the Council to develop new and existing clubs to help them become self sustainable in the longer term

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Transfer Payments</b>	13,170		260					13,430
<b>Support Services</b>	1,110		0			-20		1,090
<b>Total Expenditure</b>	<b>14,280</b>	<b>0</b>	<b>260</b>	<b>0</b>	<b>0</b>	<b>-20</b>	<b>0</b>	<b>14,520</b>
<b>Net Expenditure</b>	<b>14,280</b>	<b>0</b>	<b>260</b>	<b>0</b>	<b>0</b>	<b>-20</b>	<b>0</b>	<b>14,520</b>

## 6.20 Cost Centre and Description

NNDRC: National Non Domestic Rates

The administration and collection of national non-domestic rates

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	11,100		180		-700			10,580
Support Services	125,940		0			7,250		133,190
<b>Total Expenditure</b>	<b>137,040</b>	<b>0</b>	<b>180</b>	<b>0</b>	<b>-700</b>	<b>7,250</b>	<b>0</b>	<b>143,770</b>
Government Grants	-90,000		0					-90,000
Customer & Client Receipts	-5,030		0					-5,030
Other Grants and Contributions	-170		0					-170
<b>Total Income</b>	<b>-95,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-95,200</b>
<b>Net Expenditure</b>	<b>41,840</b>	<b>0</b>	<b>180</b>	<b>0</b>	<b>-700</b>	<b>7,250</b>	<b>0</b>	<b>48,570</b>

**Commentary on Substantial Budget Changes****Support Services**

Support service departmental recharges have been revised for 2019/20 following a review of staff time allocations and the departmental restructure increasing costs in this area. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

6.21 **Cost Centre and Description**

PERFM: Performance Reward Grants

Residual budget relation to former Performance Reward Grant received by this Council. This budget has been used to fund various grants/community projects etc.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Transfer Payments	2,650		0		-2,650			0
Support Services	780		0			-780		0
<b>Total Expenditure</b>	<b>3,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,650</b>	<b>-780</b>	<b>0</b>	<b>0</b>
<b>Net Expenditure</b>	<b>3,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,650</b>	<b>-780</b>	<b>0</b>	<b>0</b>
Associated Movement in Earmarked Reserves	-2,650		-50	50	2,650			0
<b>Net After Earmarked Reserves</b>	<b>780</b>	<b>0</b>	<b>-50</b>	<b>50</b>	<b>0</b>	<b>-780</b>	<b>0</b>	<b>0</b>

**PERFM: Performance Reward Grants**

**Commentary on Substantial Budget Changes**

**Transfer Payments**

The small budget that was provided here for the distribution of the residual Performance Reward Grant has been removed as there are no imminent payments due. Should any arise, these will be funded from the earmarked reserve set aside for this purpose

**Associated Movements in Earmarked Reserves**

This has been removed in line with the comments shown above.

6.22 **Cost Centre and Description**

RESOR: Resources Department

The Resources Department comprises three service units: Financial Services, Revenues & Benefits, and HR. The Financial Services Section provides the Accountancy and Internal Audit services of the Council. The section is responsible for all matters of financial administration. The section’s main tasks are the preparation of budgets, closure of the Council’s accounts, payment of invoices, the collection of debt, the treasury management function, and also the achievement of the annual internal audit plan. The Revenues and Benefits Section includes the collection of Council Tax and Business Rates, the processing of Housing and Council Tax Benefit and dealing with first point of contact for a range of council services and functions through the Contact Centre and also the Cash Office. the HR Section includes HR, Corporate policy, Communications, Health and Safety, Printing and Typing.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	1,813,100		53,740	350	18,640			1,885,830
<b>Transport Related Expenditure</b>	25,590		510		-2,360			23,740
<b>Supplies &amp; Services</b>	135,060		2,670	3,790	1,150			142,670
<b>Support Services</b>	136,340		0			73,170		209,510
<b>Total Expenditure</b>	<b>2,123,260</b>	<b>0</b>	<b>56,920</b>	<b>4,140</b>	<b>17,430</b>	<b>73,170</b>	<b>13,040</b>	<b>2,287,960</b>
<b>Customer &amp; Client Receipts</b>	-5,020		-100					-5,120
<b>Other Grants and Contributions</b>	-20		0					-20
<b>Departmental Recharges</b>	-2,118,220		0			-164,600		-2,282,820
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>56,820</b>	<b>4,140</b>	<b>17,430</b>	<b>-91,430</b>	<b>13,040</b>	<b>0</b>

## **RESOR: Resources Department**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

An analysis has been undertaken of employee costs to incorporate the approved NJC pay award due to be implemented in April 2019 less a staff turnover provision of 4%

#### **Transport Related Expenditure**

Reduction of estimated spend on mileage allowances following review at revised estimate (£1,630) plus reduction of estimated vehicle insurance costs next year of £730

#### **Supplies and Services**

The variation to standard budgeted inflation figure is for above inflationary charges from software companies for maintenance costs. Unavoidable changes include growth for increases to software maintenance costs for double layer security when resetting passwords on the ICON system (£1,980) and for the revenue implications of an approved capital scheme to upgrade the council's financial system to the web version as approved by P&F Committee in November 2017 (£2,860). There are also unavoidable costs in respect of increases to enterprise licenses, also approved by P&F Committee in November 2017 (£1,430). Increases have been offset by a reduction to the cost of charges which were previously charged to this cost centre, but which now remain under FMISC (-£5,830)

#### **Support Services**

An increase due to the reallocation of some costs and also the changes to the budget structure for Computer Services and resources Department, with staffing for Computer Services now falling under this cost centre before being charged to the COMPR cost centre, and then further oncosted and charged out to other services (including RESOR - Resources Department). The increase largely relates to the Computer Services recharge.

#### **Departmental Recharges**

The increase in net expenditure is reflected in an increase in recharges to other services.

6.23 **Cost Centre and Description**

## SUPDF: Superannuation Deficiency Payments

Cost here relate to historic liabilities arising from unfunded pension costs. It includes the cost of past added years' service, which is the cost of making up the years when employees retired early. Currently payments are made to Lancashire County Council and West Yorkshire pension funds. The budget also covers the cost of actuarial information of the pension fund.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	6,570		200					6,770
Third Party Payments	91,030		1,820		-610			92,240
<b>Total Expenditure</b>	<b>97,600</b>	<b>0</b>	<b>2,020</b>	<b>0</b>	<b>-610</b>	<b>0</b>	<b>0</b>	<b>99,010</b>
<b>Net Expenditure</b>	<b>97,600</b>	<b>0</b>	<b>2,020</b>	<b>0</b>	<b>-610</b>	<b>0</b>	<b>0</b>	<b>99,010</b>

**SUPDF: Superannuation Deficiency Payments****Commentary on Substantial Budget Changes****Third Party Payments**

The reduction in cost is due to a decrease in the number of beneficiaries.

7 SUMMARIES

7.1 The draft budget is summarised in two ways. One over the cost of the service provided by the committee (objective). The other is over the type of expenditure and income (subjective)

**a) Cost of service provided by the committee (Objective)**

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
CEXEC: Chief Executives Department	0		35,100	210	-113,570	78,260		0
CIVCF: Civic Functions	60,220		960	-20	120	150		61,430
CIVST: Civic Suite	0		700	380	-1,290	-9,350	9,560	0
CLOFF: Council Offices	0		4,350	6,440	1,450	-27,470	15,230	0
CLTAX: Council Tax	337,060	-4,460	1,420	1,040	-190	40,580		375,450
COMPR: Computer Services	0		1,510	1,120	1,240	-3,860	-10	0
CORPM: Corporate Management	340,540		0			2,060		342,600
COSDM: Cost of Democracy	450,060		4,870	50	-830	19,120		473,270
CSERV: Corporate services	185,780	-930	610		150	-22,380		163,230

**a) Cost of service provided by the committee (Objective)**

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
DISTC: District Elections	0		0		120,000			120,000
ELADM: Election Administration	5,370		0			19,290		24,660
ELECT: Register of Electors	106,150		1,300	1,960	-680	840		109,570
EMERG: Community Safety	64,130	-450	200	-30	-1,420	2,780		65,210
ESTAT: Estates	60,310	-30	-600	250	-880	-250	11,560	70,360
FGSUB: Grants & Subscriptions Policy and Fin	167,320		250	2,180	-400	320		169,670
FMISC: Policy & Finance Miscellaneous	-61,370	-28,440	130	-760	144,060	-10,250		43,370
LANDC: Land Charges	15,020	-2,940	-1,470		18,640	-590		28,660
LICSE: Licensing	43,050	-2,070	-1,690		110	-9,630		29,770
LUNCH: Luncheon Clubs	14,280		260			-20		14,520

**a) Cost of service provided by the committee (Objective)**

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
NNDRC: National Non Domestic Rates	41,840		180		-700	7,250		48,570
PERFM: Performance Reward Grants	3,430		0		-2,650	-780		0
RESOR: Resources Department	0		56,820	4,140	17,430	-91,430	13,040	0
SUPDF: Superannuation Deficiency Payments	97,600		2,020		-610			99,010
<b>Grand Total</b>	<b>1,930,790</b>	<b>-39,320</b>	<b>106,920</b>	<b>16,960</b>	<b>179,980</b>	<b>-5,360</b>	<b>49,380</b>	<b>2,239,350</b>
<b>Associated Movement in Earmarked Reserves</b>	159,880		3,200	-2,110	-198,280			-37,310
<b>Net After Earmarked Reserves</b>	<b>2,090,670</b>	<b>-39,320</b>	<b>110,120</b>	<b>14,850</b>	<b>-18,300</b>	<b>-5,360</b>	<b>49,380</b>	<b>2,202,040</b>

**b) Type of Expenditure/Income (Subjective)**

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	3,016,840	-16,230	89,510	5,410	28,650			3,124,180
<b>Premises Related Expenditure</b>	199,500	-30	3,970	2,490	-4,650			201,280
<b>Transport Related Expenditure</b>	58,710		1,170	-90	-3,960			55,830
<b>Supplies &amp; Services</b>	809,340	-8,850	15,860	7,170	14,300	-290		837,530
<b>Third Party Payments</b>	92,100		1,840		510			94,450
<b>Transfer Payments</b>	163,470		260	2,180	-2,410			163,500
<b>Support Services</b>	2,046,340		0			315,210		2,361,550
<b>Depreciation and Impairment</b>	128,880		0				49,380	178,260
<b>Total Expenditure</b>	<b>6,515,180</b>	<b>-25,110</b>	<b>112,610</b>	<b>17,160</b>	<b>32,440</b>	<b>314,920</b>	<b>49,380</b>	<b>7,016,580</b>
<b>Government Grants</b>	-90,000		0					-90,000
<b>Other Grants and Contributions</b>	-143,540	-9,200	0		108,080	280		-44,380
<b>Customer &amp; Client Receipts</b>	-380,200	-5,010	-5,690	-200	26,410			-364,690
<b>Departmental Recharges</b>	-3,943,770		0			-321,010		-4,264,780
<b>Miscellaneous Recharges</b>	-26,880		0		13,050	450		-13,380
<b>Total Income</b>	<b>-4,584,390</b>	<b>-14,210</b>	<b>-5,690</b>	<b>-200</b>	<b>147,540</b>	<b>-320,280</b>	<b>0</b>	<b>-4,777,230</b>
<b>Net Expenditure</b>	<b>1,930,790</b>	<b>-39,320</b>	<b>106,920</b>	<b>16,960</b>	<b>179,980</b>	<b>-5,360</b>	<b>49,380</b>	<b>2,239,350</b>
<b>Associated Movement in Earmarked Reserves</b>	159,880		3,200	-2,110	-198,280			-37,310
<b>Net After Earmarked Reserves</b>	<b>2,090,670</b>	<b>-39,320</b>	<b>110,120</b>	<b>14,850</b>	<b>-18,300</b>	<b>-5,360</b>	<b>49,380</b>	<b>2,202,040</b>

## 8 EARMARKED RESERVES

- 8.1 In the Original Estimate for 2018/19 this committee planned to add £159,880 to earmarked reserves to support its expenditure in future years. Looking forward to 2019/20, the proposal included in the estimates is that this committee take £37,310 from earmarked reserves.
- 8.2 The table below provides a summary of the DRAFT Original Estimate for 2019/20 together with the budgeted impact on the relevant earmarked reserves. Also detailed is a summary of the reasons for the movements on the earmarked reserves.

	<b>DRAFT Original Estimate 2019/20</b>	<b>Reason for Movement on Earmarked Reserve</b>
<b>Committee Net Cost of Services</b>	<b>2,239,350</b>	
FNBAL/H288 Superannuation Adjustment Reserve	50,540	Reserve established from set aside superannuation savings. This is as the payment will be made in full at the beginning of the year, rather than monthly, resulting in a lower amount due in year.  This contribution to the reserve represents the estimated saving to be made in 2019/20.
FNBAL/H230 Election Fund	-90,000	Reserve established from monies set aside on an annual basis to smooth out the cost of local elections.  Shown here is the release of £120,000 to fund the election in year, and the set aside of £30,000 in preparation for the next election in four years time.
FNBAL/H269 Revaluation Reserve	2,150	Reserve established from monies set aside on an annual basis to smooth out the costs of revaluation of assets carried out every five years.  This contribution represents the annual contribution to the reserve for the financial year 2019/20
<b>Committee Net Cost of Services after Movements on Earmarked Reserves</b>	<b>2,202,040</b>	

9 KEY VARIATIONS

9.1 The net expenditure for this committee has increased by £111,370 after allowing for associated movements on earmarked reserves. The main reasons for this net increase are summarised in the table below.

Description	Variance Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
<p><b>CEXEC: Chief Executives Department</b> Reduced salary costs due to the departmental restructure. Salaries have now been estimated based upon the Establishment List for Chief Executive's department. The reduction is in respect of the Regeneration and Housing Section moving to the Economic Development and Planning Department, which is included under the Planning and Development Committee budgets.</p>	-111,290
<p><b>DISTC: District Elections</b> Included in 2019/20 are the costs of holding the local elections, being once every four years. An earmarked reserve is set aside to fund this cost. The amount shown here is the anticipated costs of running the district elections for 2019</p>	120,000
<p><b>FMISC: Finance Miscellaneous</b> There are increased costs shown under this cost centre in respect of the charges incurred by the council from accepting credit and debit card payments. This charge was previously netted off the council's interest receipts, but is now shown here as part of the council's corporate banking charges.</p>	21,930
<p><b>FMISC: Finance Miscellaneous</b> Saving is as a result of paying the council's employer current service pension contributions in full at the beginning of the year. The saving for 2019/20 is estimated to be a total of £50,540 and is reflected under this budget heading.</p>	-16,230
<p><b>FMISC: Finance Miscellaneous</b> Reduction in income from VAT shelter money paid by Onward Homes. This is due to a dramatically lower level of spend that falls under the VAT shelter arrangements by Symphony Homes - with a budget assumption of nil. This also impacts on the level of sums transferred to earmarked reserves as shown below.</p>	108,080
<p><b>FMISC: Finance Miscellaneous</b> Under savings there is an additional amount shown in respect of the Lancashire Business Rates Pool and the admin charges that would be due as a result of the increased membership.</p>	-9,200

Description	Variance Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
<p><b>FMISC: Finance Miscellaneous</b> The council's bank charges were previously recharged out to other services/committees, but will now remain under this cost centre as corporate banking charges. Therefore they show as an increase in costs under this cost centre</p>	13,050
<p><b>LANDC: Land Charges</b> There has been a sizeable reduction in income from search fees, in part from more recent national challenges to the charges that are made. This is partially offset by some additional income under the Freedom of Information Act which is now shown under this service.</p>	15,880
<p><b>RESOR: Resources Department</b> Increased staffing costs due to the implications of the new NJC pay award due to be implemented in April 2019. This is over and above the standard rate of inflation allowed for in pay.</p>	18,640
<p><b>Inflation</b> Provision for inflationary increases</p>	124,970
<p><b>Depreciation and Impairment</b> Movements in Capital charges</p>	49,380

## 10 RISK ASSESSMENT

### 10.1 The approval of this report may have the following implications

- Resources: approval of the original budget for 2019/20 would see an increase in net expenditure of £308,560 compared with the original budget for 2018/19 or an increase of £111,370 after allowing for movements on earmarked reserves.
- Technical, Environmental and Legal: none identified
- Political: none identified
- Reputation: sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

11 RECOMMENDED THAT COMMITTEE

- 11.1 Approve the revenue original estimate for 2019/20 and submit this to the Special Policy and Finance Committee.

TEMPORARY SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF3-19/VT/AC  
10 January 2019

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION
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Agenda Item No 8

meeting date: 22 JANUARY 2019  
 title: AUTUMN BUDGET 2018 – RETAIL RELIEF  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: MARK EDMONDSON

## 1 PURPOSE

- 1.1 To inform Committee that the Chancellor, in his 2018 Budget, introduced a Business Rates Retail Relief scheme for 2019-20 and 2020-21.
- 1.2 To obtain Committee’s approval to amend our Discretionary Rate Relief Policy to allow the relief to be granted without an application in writing as proposed by the Government.
- 1.3 Relevance to the Council’s ambitions and priorities:
  - Council Ambitions/Community Objectives/Corporate Priorities:
 

Without the revenue collected from business rates, council tax and sundry debtors we would be unable to meet the Council’s ambitions, objectives and priorities.

## 2 BACKGROUND

- 2.1 The Localism Act 2011 amended Section 47 of the Local Government Finance Act 1992 to give local authorities the power to reduce Business Rates as they think fit.
- 2.2 Since this power was introduced the Government have chosen to introduce numerous temporary reliefs without the need to amend primary legislation.
- 2.3 These include:

Relief	Year	Amount
New Build Relief	Oct 2013 – Sept 2016	18 months 100% relief
Retail Relief	2014/15	£1,000
Reoccupation Relief	2014/15 + 2015/16	50% relief 18 months
Retail Relief	2015/16	£1,500
Flood Relief	2015/16 + 2016/17	100% relief whilst unoccupied
Discretionary Transitional Relief	2015/16 + 2016/17	Varying
Rural Rate Relief	2017/18 onwards	Doubling 50% relief to 100%
Pub Relief	2017/18	£1,000
Supporting Small Business Relief	2017/18 to 2020/21	Limit increase to £600
Revaluation Relief	2017/18 to 2020/21	Varying
Pub Relief	2018/19	£1,000

- 2.4 On each occasion guidance has been provided requiring local authorities to adopt their own schemes for awarding the relief that required an application to be made by the ratepayer to confirm that the award of the relief would not breach state aid rules.

- 2.5 Guidance for the 2019/20, 2020/21 Retail Relief was issued on 30 November 2018 and on this occasion the Government are asking local authorities to include the relief in 2019/20 bills. Ratepayers will be required to refuse the relief or confirm that it does not breach state aid rules at a later date (Annex A).
- 2.6 The relief, of one third of the rates payable, will apply to occupied premises with a rateable value of less than £51,000, that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.
- 2.7 Our initial analysis has identified approximately 250 premises that could meet the criteria.

### 3 ISSUES

#### Application

- 3.1 On previous occasions we have used our existing Discretionary Rate Relief Scheme to award the various reliefs as it met the requirements of the guidance issued by Government.
- 3.2 Our Discretionary Rate Relief scheme treats each case on its own merits;
- requires an application to be made in writing,
  - all other reliefs to have been awarded,
  - the council's finances allow for the relief to be awarded and
  - it is in the interests of Council Tax payers to do so.
- 3.3 Therefore to enable us to grant the relief using our current Discretionary Rate Relief policy committee needs to authorise the award of this relief without the requirement for a written application on this occasion.

#### Timescales

- 3.4 The guidance issued by Government states that this relief must apply after every other relief has been awarded and therefore we require our software provider to amend our system to enable it to be calculated correctly.
- 3.5 Our software provider has indicated that the new functionality will not be available until late February 2019 and therefore it is going to be difficult to apply the update and award the relief in the timescales required to produce our annual bills at the beginning of March 2019.

### 4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:
- Resources – The Government will fully fund any relief granted however, there will be a cost in amending our software and administering this relief. The Government have indicated that they will compensate local authorities for the additional costs but the amount of funding has not yet been determined.
  - Technical, Environmental and Legal – As indicated previously we require an amendment to our software to enable this relief to be calculated correctly. This is due to be available in late February 2019 making it difficult to ensure that the relief will be granted in time for annual billing for 2019/20. The relief is also subject to state aid rules however, as the

guidance makes clear responsibility for ensuring that ratepayers do no breach state aid rules lies with them and not local authorities.

- Political - None
- Reputation – The Government guidance has requested that local authorities award this relief without the need for a written application. If we do not follow this we may have a negative response from ratepayers who have to undertake additional administration to apply for the relief. Furthermore a requirement to make a written application will delay the process and in many cases will mean that the relief will not be included with annual bills which will require an adjustment bill to be issued at a later date.
- Equality and Diversity – None

## 5 RECOMMEND THAT COMMITTEE

- 5.1 Authorise the Director of Resources to grant Discretionary Rate Relief to those ratepayers who meet the criteria as set out in the guidance issued by Government, without the need for a written application.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF4-19/ME/AC  
10 January 2019

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 9

meeting date: 22 JANUARY 2019  
title: LOCAL TAXATION WRITE OFFS  
submitted by: DIRECTOR OF RESOURCES  
principal author: MARK EDMONDSON

## 1 PURPOSE

1.1 To obtain Committee's approval to write off a Business Rate debt.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives/Corporate Priorities

Without the revenue collected from business rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

## 2 BACKGROUND

2.1 No specific statute exists to give guidance on the circumstances under which debts, in general, can be written off other than the statute of limitations. We only write debts off where all avenues of debt recovery have been fully explored.

### **Business Rates**

2.2 As a matter of law, we are under obligation to take reasonable steps to collect Business Rates debts.

2.3 We do this by various means, including summonses, enforcement agents, bankruptcy, winding up and committal warrants. However, there are some cases where debtors simply leave their property with arrears and where we have no forwarding address, or are declared bankrupt, insolvent or cease trading.

## 3 CURRENT POSITION

3.1 There is one case where a company has been dissolved and therefore we need to write off this debt. Annex 1 shows details of the debt we are seeking approval to write off against the collection fund – this totals £4,260.61 in business rates.

## 4 FINANCIAL IMPLICATIONS

4.1 The cost of business rate write offs are met in part by central government 50% and in part by local government, i.e. ourselves 40%, the county council 9% and the fire and rescue authority 1%.

## 5 RECOMMENDED THAT COMMITTEE

5.1 Approve writing off £4,260.61 in business rates where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF5-19/ME/AC  
10 January 2019

## Write offs – NNDR

Year	Name	Property	Amount £
<b>DISSOLVED</b>			
Dissolution is the last stage of liquidation, the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed.			
2015/16	Hospitality Excellence Ltd	White Bull Hotel, Church Street, Ribchester, Preston	2,509.45
2016/17			1,751.16
<b>TOTAL</b>			<b>4,260.61</b>

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 10

meeting date: 22 JANUARY 2019  
title: REVIEW OF FINANCIAL REGULATIONS AND CONTRACT PROCEDURE RULES  
submitted by: DIRECTOR OF RESOURCES  
principal author: LAWSON ODDIE

## 1 PURPOSE

- 1.1 To recommend to Council the acceptance of the attached financial regulations and contract procedure rules.
- 1.2 Relevance to the Council's ambitions and priorities: This report contributes to the council's ambition to be a well-managed council providing efficient services based on identified customer needs.

## 2 BACKGROUND

- 2.1 The council's financial regulations and contract procedure rules are key components of the Council's Constitution and Corporate Governance arrangements.
- 2.2 These documents are reviewed on an annual basis and any amendments are reported to committee for approval. It is good practice to keep the financial regulations and contract procedure rules under regular review in order to take account of evolving working practices and changes to law.

## 3 REVIEW OF FINANCIAL REGULATIONS

- 3.1 Attached at Annex 1 is a revised set of financial regulations covering all aspects of the Council's financial arrangements and activities. They apply to every member and officer of the Council and anyone acting on the Council's behalf.
- 3.2 The main changes and clarifications that have been made to the Financial Regulations in this review are:
  - Inclusion of the requirement to produce a Capital Strategy (Section 5 (1(ii)) and the requirement to report requests for new capital schemes initially to the Corporate Management Team (Section 5 (5)). Also the deletion of an obsolete reference (Section 5 (2ii))
  - Specifying the requirement to initially report any proposals to set up or join a partnership to the council's Corporate Management Team for consideration. (Section 9 (2i))
  - Clarification that approval by the Director of Resources of any alternative arrangement of collecting sums due to the council outside of using the Council's Sundry Debtor system must be in writing. (Section 10 (3ii)) and that preference must always be given to raising invoices through the corporate Sundry Debtor system where possible (Section 10 (4)).
  - Clarification that the reference to the control of official receipts is in respect of manual receipt books. (Section 10 (5)).
  - Highlighting that reconciliations with manual records and ICT systems must be carried out to the corporate accounting system in relation to the collection of income. (Section 10 (7)).

- Removing the specification of quarterly calculations for the council's partial exemption position in relation to VAT due to past changes in relation to local authorities. (section 11 (2iii)).
- Specifically making reference to the requirement for the Head of Financial Services and the ICT Manager to make proper arrangements to dispose of redundant ICT equipment securely. (Section 14 (2vii)).
- Making reference to the term 'system champions' in order to tie in with the terminology of the council's ICT Strategy. (Section 14 (3iii)).
- Removing the references to the role of Public Sector Audit Appointments Limited (PSAA) in the introduction to paragraphs to Section 18.
- Removing the reference to the Capital Strategy being a requirement from '2018/19 onwards', as this is now an annual requirement. (Section 19 (2iv)).

3.3 These financial regulations form part of the Council's Constitution and as a consequence will require the additional approval of Full Council.

#### 4 REVIEW OF CONTRACT PROCEDURE RULES

4.1 Attached at Annex 2 are the revised Contract Procedure Rules.

4.2 The main changes and clarifications that have been made to the Contract Procedure Rules in this review are:

- Clarification that the values to be used in relation to Approved Lists relate to those over the full anticipated lifetime of supply. (CPR9 (9.1)).
- Clarification that the provision of any further information in respect of Tender Invitation will be to all known potential Providers and through the council website alongside the existing Contract documents. (CPR13 (13.4)).
- Specific reference to the requirement to notify the Head of Legal and Democratic Services of the closing date and time for receipt of tenders at the point of inviting tenders in order that necessary arrangements can be put in place for the opening of any tenders received. (CPR13 (13.10))
- Amended wording on the requirement of Providers to comply with the requirements under the Modern Slavery Act 2015. (CPR20 (20.1t)).

4.3 These contract procedure rules form part of the Council's Constitution and as a consequence will require the additional approval of Full Council.

#### 5 RISK ASSESSMENT

- Resources – Operating without financial policies and procedures that are fit for purpose exposes the council to very great risks to its resources.
- Technical, Environmental and Legal – The financial regulations form part of the Council's Constitution. Under the requirements of the Local Government Act 1972 Section 151, the Financial Regulations provide a control framework through which the Director of Resources carries out their statutory duty on behalf of the council.
- Political – None

- Reputation – Financial regulations are an important part of the Council's Governance arrangements and will give the public confidence that the Council manages its financial affairs properly.
- Equality and Diversity – Effective financial and governance arrangements will ensure that equality and diversity matters remain a continued focus

6 RECOMMENDED THAT COMMITTEE

- 6.1 Recommend to Full Council acceptance of the Revised Financial Regulations and Revised Contract Procedure Rules

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF6-19/LO/AC

9 January 2019

BACKGROUND WORKING PAPERS:

For further information please ask for Lawson Oddie, extension 4541

DRAFT

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# Financial Regulations

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January 2019

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Ribble Valley  
Borough Council

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[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)



Ribble Valley Borough Council is committed to the delivery of quality services and so needs to be responsive to the changing demands and expectations of its customers.

In support of this aim the Council has a sound financial management framework in place, which is relevant and flexible enough to meet the challenges ahead. For example the changes from the traditional accepted role of local government to one of community leader including the introduction of greater partnership working has a major influence on the delivery of local services. The establishment of Financial Regulations provides the financial controls and procedures necessary to address the modern demands on local government. They also provide clarity about the financial accountabilities of individuals - Members, the Chief Executive (the Head of Paid Service), the Monitoring Officer, the Director of Resources (Section 151 Officer) and other Directors, Heads of Service and staff generally. The Regulations are therefore formally endorsed by the Council as a key part of the Council's Constitution.

The Financial Regulations, as set out here, provide the overall key control framework to enable the organisation to exercise effective financial management and control of its resources and assets. Another key purpose of the Regulations is to support and protect Members and staff in the performance of their duties where financial issues are involved.

These Regulations need to be read in conjunction with the remainder of the Constitution and any other regulatory documents of the Council.

Please address queries or comments regarding the Council's Financial Regulations to the Head of Financial Services.

# RIBBLE VALLEY BOROUGH COUNCIL FINANCIAL REGULATIONS

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# Section 1: General

## WHY ARE THESE REGULATIONS IMPORTANT?

It is important that the Council has a sound and effective financial management framework in place to safeguard the organisation's financial arrangements and activities, to support staff and to minimise risk. The Local Government Act 1972 Section 151 requires the Council to nominate one of its Officers to be responsible for the proper administration of its financial affairs. The Officer so appointed is the Director of Resources. Financial Regulations form part of the Council's approach to corporate governance and provide a control framework through which the Director of Resources carries out their statutory duty on behalf of the Authority.

The Financial Regulations and their application also form part of the Council's performance framework and an assessment of their effectiveness will contribute to the result of any external assessment of the Council.

### (1) Application of Financial Regulations

Financial Regulations are the framework for managing the authority's financial affairs. They apply to every Member and Officer of the authority and anyone acting on its behalf:

- (i) These Regulations identify the financial responsibilities of the Council, the Head of Paid Service, the Monitoring Officer, the Section 151 Officer and Directors generally. **References to Directors include the Chief Executive.** References to the Director of Resources refer to their role as Section 151 Officer.
- (ii) **References in these Regulations to Directors, including the Director of Resources, also apply to Heads of Service, and other senior staff and shall in every case be considered as referring to authorised persons acting on their behalf (whether authorised or not).** In certain cases as specified in these Regulations, Directors are required to maintain a written record where decision making has been delegated to members of their staff, including seconded and temporary staff, and to supply up-to-date copies to the Director of Resources.
- (iii) These Regulations apply equally to any service carried out by the Council on behalf of the County Council or any other authority, body or person, and to all external agencies and their employees incurring expenditure or receiving income on behalf of the Council. Accordingly, Directors shall ensure that partnership and other arrangements with external parties are not set up to operate in conflict with these Regulations as far as this Council's involvement is concerned.

- (iv) Any action which is an exception to these Regulations may only be approved in exceptional circumstances by the Director of Resources in consultation with the Chairman of the Policy and Finance Committee and a report setting out the reasons for such action shall be submitted to the next meeting of that Committee.
- (v) These Regulations shall apply until such time as they are rescinded, amended or suspended by the Council.

## (2) General responsibility

- (i) All Members and staff have a general responsibility for taking reasonable action to provide for the security of any assets under their control, and for ensuring that the use of resources is legal, is properly authorised, provides value for money and achieves best value.
- (ii) Directors are responsible for informing the Director of Resources of any matter liable to materially affect the finances of the Council including negotiations with government departments, before any commitment is incurred or arrangements reached.

## (3) Compliance

Directors are responsible for making all staff in their departments aware of the existence and content of these Financial Regulations and any related Financial Procedure notes and for their compliance with them. They must also make an adequate supply of copies available for reference within their departments.

## (4) Review

- (i) The Director of Resources shall maintain a continuous review of the Financial Regulations and, except where provided in (ii) below, submit any necessary additions or changes in law or practice to the Policy and Finance Committee for approval by the Full Council. They shall also report to the Chief Executive and/or Policy and Finance Committee where they consider appropriate any breaches of the Financial Regulations.
- (ii) Any financial amounts referred to in these Regulations may be varied by the Director of Resources in line with general price inflation or otherwise as required by statute
- (iii) The Director of Resources may issue from time to time Financial Procedure Notes to support these Regulations. These will prescribe more-detailed financial controls and procedures consistent with these Regulations and such supplementary controls and procedures shall carry the same status as these Regulations.

## Section 2: Internal Controls

### WHY ARE THESE REGULATIONS IMPORTANT?

The functions of the Authority are diverse and therefore to ensure delivery of the Council's strategic objectives, a framework of internal controls is required.

The Authority has statutory obligations and therefore requires internal controls to identify, meet and monitor compliance with these obligations. Moreover the Council is required to conduct an annual review of the effectiveness of its system of internal control and present an Annual Governance Statement alongside the Annual Statement of Accounts.

The Authority faces a wide range of financial, administrative and commercial risks, from both internal and external factors, which need to be managed to enable the Council to achieve its objectives. Internal controls are necessary to manage these risks.

A system of internal controls is established in order to provide measurable achievement of: (a) efficient and effective operations, (b) reliable financial information and reporting, (c) compliance with laws and regulations, and (d) risk management.

- (1) The Director of Resources has statutory duties in relation to the financial administration and stewardship of the authority. This responsibility cannot be overridden. The statutory duties arise from:
  - (i) Section 151 of the Local Government Act 1972
  - (ii) The Local Government Finance Act 1988
  - (iii) The Local Government and Housing Act 1989
  - (iv) The Accounts and Audit Regulations 2015
  - (v) The Local Government Act 2003.
  
- (2) The Director of Resources is responsible for:
  - (i) the proper administration of the authority's financial affairs
  - (ii) setting financial management standards and monitoring compliance with them
  - (iii) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
  - (iv) providing financial information
  - (v) preparing the revenue budget and capital programme
  - (vi) treasury management
  - (vii) reporting on the robustness of estimates made for the purposes of preparing budgets and the adequacy of the proposed financial reserves.

- (3) The Director of Resources shall report to the Full Council and external auditor in fulfilment of their statutory obligations under Section 114 of the Local Government Finance Act 1988 or otherwise if the authority or any of its Officers:
  - (i) has made, or is about to make, a decision which involves incurring unlawful or unauthorised expenditure
  - (ii) has taken, or is about to take, an unlawful or unauthorised action which has resulted or would result in a loss or deficiency to the authority
  - (iii) has made or is about to make an unlawful or unauthorised entry in the authority's accounts.
  
- (4) Directors are responsible for ensuring that:
  - (i) Service Committees are advised of the financial implications of all proposals and that these have been previously agreed by the Director of Resources.
  - (ii) contracts are duly signed on behalf of the authority
  - (iii) the approval of the Director of Resources is sought on any matter liable to affect the authority's finances materially, before any commitments are incurred.
  
- (5) The Director of Resources shall assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective operations, financial stewardship, probity and compliance with laws and regulations.
  
- (6) Directors shall ensure that:
  - (i) managerial control systems operate effectively throughout their departments. These will include the defining of policies, the setting of objectives and plans, the monitoring of financial and other performance, and the taking of appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities and ensuring staff have a clear understanding of the consequences of any lack of control
  - (ii) financial and operational control systems and procedures operate effectively throughout their departments. These will include physical safeguards for assets, segregation of duties, checking and authorisation procedures and information systems
  - (iii) key controls and control objectives for internal control systems are reviewed regularly in order to be confident as to the proper use of resources, achievement of objectives and management of risk.
  - (iv) processes are managed so as to check that established controls are being adhered to and are effective

- (v) existing controls are reviewed in the light of changes affecting the authority and new controls are established and implemented in line with guidance from the Director of Resources.
  - (vi) controls which are no longer necessary, or no longer cost or risk effective, are removed.
  - (vii) where new services or processes are introduced, then adequate controls are put in to place immediately to ensure the proper use of resources, achievement of objectives and management of risk.
- (7) The Director of Resources shall ensure that there is an effective and properly resourced internal audit function.

## Section 3: Accounting

### WHY ARE THESE REGULATIONS IMPORTANT?

Maintaining proper accounting records is one of the ways in which the authority discharges its responsibility for stewardship of public resources. The authority has a statutory duty to prepare its Annual Statement of Accounts in a way which gives a true and fair view of its operations during the year. The accounts are subject to external audit, which provides assurance that they have been prepared properly, that proper accounting practices and statutory requirements have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources. There is also a statutory right for members of the public to inspect the accounts and relevant supporting documentation.

- (1) The Director of Resources is responsible:
  - (i) for selecting and applying appropriate accounting policies
  - (ii) for determining accounting procedures and records.
- (2) The Director of Resources shall:
  - (i) make arrangements for the proper administration of the authority's financial affairs
  - (ii) apply accounting policies consistently
  - (iii) maintain proper accounting records
  - (iv) make an annual report to the Policy and Finance Committee on the financial outturn for the previous financial year
  - (v) ensure that the Statement of Accounts for that year is completed, approved by the Accounts and Audit Committee and published within the corporate and statutory timetable and in accordance with relevant Codes of Practice.
- (3) Directors shall ensure:
  - (i) that all the authority's transactions, material commitments, contracts and other essential accounting information are recorded completely, accurately and promptly.
  - (ii) that in the allocation of accounting duties of any kind:

- (a) the duty of providing information, calculating, checking and recording sums due to or from the Council shall be separated as completely as possible from the duty of collecting or disbursing such sums.
- (b) Officers charged with the duty of examining and checking the accounts of cash or stores transactions shall not themselves be engaged in any of those transactions.
- (iii) that any Financial Procedure Notes prescribed by the Director of Resources are fully complied with.
- (iv) that the Director of Resources is supplied with such information as may be requested from time to time for the purpose of the proper administration of the Council's affairs.
- (v) that all returns or claims that request financial information shall be completed in consultation with the Director of Resources, who shall be satisfied as to their correctness before they are submitted.
- (vi) that the Director of Resources is provided with copies of all Government or other circulars, orders, sanctions, approvals and regulations which may have a financial implication.

## Section 4: Revenue Budget

### WHY ARE THESE REGULATIONS IMPORTANT?

The Council is responsible for producing an overall policy framework. The purpose of the framework is to explain overall priorities and objectives, and ensure that resources follow the identified priorities, current performance and proposals for improvement. The revenue budget is important in this context because, together with the capital programme (see Section 5), it expresses the approved policies and service levels of the Council in financial terms.

Once approved, the revenue budget confers authority on managers to incur expenditure to achieve the aims and objectives of the Council. If expenditure plans cannot be met within the approved budget, then they can only proceed with an approval to divert funds (as provided for in Section 6(4)).

- (1) The Director of Resources shall:
  - (i) recommend to the Policy and Finance Committee appropriate guidelines for preparation of the annual budget and the financial forecast for at least the following two financial years
  - (ii) issue appropriate guidance to Directors and Members and prepare a corporate budget timetable
  - (iii) ensure the approved budget guidelines are complied with so that statutory and other deadlines can be met.
- (2) Directors shall:
  - (i) submit to the Director of Resources estimates in accordance with the budget guidelines and within agreed time scales
  - (ii) ensure that the estimates are prepared having regard to the Council's Corporate Strategy and other corporate aims and objectives
  - (iii) provide any other information the Director of Resources may require.
- (3) The Director of Resources shall report to the Policy and Finance Committee:
  - (i) on the detailed draft revenue estimates, ensuring that the content and format comply with legal requirements and relevant codes of practice
  - (ii) on the robustness of the estimates made for the purposes of calculations and the adequacy of the proposed financial reserves
  - (iii) the position on the Collection Fund

- (iv) on the final proposed budget to enable the Policy and Finance Committee to make a recommendation to Full Council on the appropriate levels of contingencies and reserves, and on the levels of Council Tax for the year.
- (4) Subject to (5) below, the approval of a budget for the year by Full Council confers authority to spend in accordance with the budget for that year. Commitments affecting future financial years may only be made where the provisions of Section 6(6) are satisfied. Directors are responsible for coordinating programmes of expenditure and income that will achieve the objectives on which the budget was based.
- (5) Directors shall not enter into any new arrangements or other contractual commitments with long-term revenue consequences without the prior written consent of the Director of Resources. Such arrangements may be defined for this purpose as any lease, contract hire or other contract or series of contracts under which the use of an asset is obtained in exchange for a series of revenue payments which extend beyond the end of the following financial year.
- (6) If a Director wishes to incur expenditure outside the approved budget provision, or anticipates an overspend against an approved budget head, the procedures set out in Section 6(4) and (5) shall apply.
- (7) Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 5: Capital Programme

### WHY ARE THESE REGULATIONS IMPORTANT?

The revenue budget (Section 4) and the capital programme together express the approved policies and service levels of the Council in financial terms. It is important to ensure that the Council achieves maximum economy, efficiency and effectiveness from the use of its capital resources and directs those resources into the agreed priority areas.

- (1) The Director of Resources shall:
  - (i) prepare current estimates of resources available to finance capital expenditure in the current year and over at least the following two financial years
  - (ii) prepare a capital programme and strategy for approval annually by the Policy and Finance Committee and Full Council based on the current Council's Corporate Strategy, and other relevant corporate plans and strategies.
- (2) Directors shall:
  - (i) submit to the Director of Resources upon request estimates of the cost of capital spending proposals and the estimated amount and timing of any capital receipts, commuted sums and other contributions receivable
  - (ii) ensure that the estimates submitted are prepared having regard to the Council's Corporate Strategy and other corporate aims and objectives, described in 3(ii)
  - (iii) provide any other information the Director of Resources may require for the review, monitoring or control of the capital programme.
- (3) In working up any capital scheme, Directors shall have regard to the risk of triggering clawback or breaching restrictive covenants or other contractual conditions in relation to land or otherwise.
- (4) The inclusion of a capital scheme within an approved capital programme shall confer authority to spend only on those schemes in year 1 of the capital programme, with any future schemes being subject to the annual review of the capital programme. Authority to spend is subject to:
  - (i) the provisions of the Council's Contract Procedure Rules
  - (ii) the provisions of (5) below

- (iii) the Director of Resources having first confirmed in writing that sufficient resources are available for the purpose.
  
- (5) If a Director wishes to incur expenditure outside the approved capital programme provision, then [following consideration initially at Corporate Management Team](#), a request must be submitted to the relevant service committee. The service committee must then make recommendation of approval of such in to the capital programme to Policy and Finance Committee
  
- (6) Directors shall give the Director of Resources early warning of known underspends, overspends and changes to planned resources so that the availability of uncommitted capital resources may be monitored effectively.
  
- (7) Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 6: Budgetary Control

### WHY ARE THESE REGULATIONS IMPORTANT?

Budgetary control ensures that once Full Council has approved a revenue budget or a capital programme, the resources allocated are used for their intended purposes, i.e. the agreed priority areas, and are properly accounted for. It is a continuous process, enabling the authority to review and adjust its budget targets during the financial year to make the most effective use of resources in delivering the Council's policies and objectives. The budgetary control framework also sets out the accountabilities of managers for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, the authority can identify changes in trends and resource requirements at the earliest opportunity.

To ensure that the authority as a whole does not over or underspend, each service is required to manage its own expenditure within approved resources and to identify any surplus resources for diversion to other programme areas. A mechanism is provided for switching funds between budget heads, including contingencies and reserves, where required, in order to maintain service levels and achieve policy objectives.

#### (1) Overall responsibility for budgetary control

The Director of Resources is responsible:

- (i) to the Council for the overall financial control of the revenue budget and capital programme
- (ii) for providing quarterly monitoring reports
- (iii) for subdividing service budgets within the overall budget framework according to Council structure and services, having regard to relevant Codes of Practice
- (iv) for allocating the revenue budget and capital programme wholly among responsible Directors
- (v) for supplying timely information on receipts and payments on each budget head and capital scheme, sufficiently detailed to enable managers to fulfill their budgetary control responsibilities.

#### (2) Responsibility for control of individual budgets

Directors are responsible:

- (i) for the revenue budgets and capital programmes allocated to them, for delivering the levels of service on which they were based, and for compliance with their financial obligations
- (ii) for monitoring levels of service and performance within services, as measured by expenditure and income incurred against relevant budget heads and capital programme provision
- (iii) for seeking virements, either to increase or to reduce the provision allocated to particular budget heads or capital schemes, in accordance with (4) below in order to maintain budget provisions in line with the service levels required and

Directors:

- (i) may exercise powers delegated to them to enter into new financial commitments, including commitments relating to recruitment and remuneration of staff, **only where adequate provision has been made** in the revenue budget or capital programme and where the revenue consequences for future financial years are in accordance with (6) below
- (ii) shall provide any additional information the Director of Resources may require.

(3) Variances from budget

The Director of Resources is responsible

- (i) for reporting significant variances to the Policy and Finance Committee where a Director fails to take action under (4) to (6) below
- (ii) for agreeing annually:
  - (a) a list of expenditure proposals for which revenue budget provision had been made in the previous year and for which the particular goods or services had not been supplied before the financial year end.
  - (b) a list of expenditure proposals on capital schemes for which provision had been made in the capital programme for the previous year but which was under or overspent.

(4) Virements between budgets

Subject to appropriate consultation with the Director of Resources, budget allocations may be moved between revenue budget heads (including contingency provisions) for the purpose of maintaining approved service levels, in accordance with the following scheme of virements:

(i) Revenue Budgets

All requests must be approved by the Service Director and also the Director of Resources. Further approval from committees must also be given in accordance with the details shown below

Over £10,000                      also by the Service Committee

Over £25,000                    also by Policy and Finance Committee

(ii) Capital Budgets

Any request for virement between capital schemes must be approved by the service committee and Policy and Finance Committee.

No virement can take place between a revenue and a capital budget.

(iii) Virement Requests

Unless in circumstances seen as exceptional by the Director of Resources:

- approval will only be given to requests for virements made prior to the commitment of any expenditure. Virements should not be used as a retrospective tool
- virements will not be approved from budgets in respect of direct employee costs
- virements will only be considered from income budgets once the full year income budget has been achieved, or is certain of being achieved (i.e. through written grant approvals)
- virements will not be approved in respect of monies set aside in earmarked reserves.

In making any virement decision, due regard shall be had to any budget implications for future financial years.

(5) Supplementary estimates

(i) Revenue expenditure

Where no provision currently exists in the revenue budget, or where the provision made for an existing budget head is insufficient and a virement is not available under (4) above, then new or additional budget provision may only be established with the approval of the Policy and Finance Committee and in making any such decision, shall have due regard to any budget implications for future financial years.

Any request for a supplementary estimate must only be made by the relevant Service Director and with approval of the Director of Resources, and must first be requested from the service committee, with a reference then to be made to Policy and Finance Committee for approval.

Any identified areas of funding in support of a request for a supplementary estimate must be made clear.

(ii) Capital expenditure

Where no provision currently exists in the capital programme, or where an existing provision is insufficient and a virement is not available under (4) above, then, new or additional provision may only be established for the scheme with the approval of the Policy and Finance Committee, who in making any such decision, shall pay due regard to any implications for the capital programme or revenue budget in future financial years.

Any request for an additional approval must only be made by the relevant Service Director and with approval of the Director of Resources, and must first be requested from the service committee, with a reference then to be made to Policy and Finance Committee for approval

(iii) Partnership Expenditure and External Funding

Where no provision currently exists in the revenue budget or capital programme for specific projects or activities which are to be wholly or partly funded by external agencies or partners, then the above criteria for virements and supplementary estimates will apply to the value of the Council's net financial contribution to the revenue or capital cost of the project.

The Director of Resources is empowered to adjust revenue budgets and capital programmes to reflect the gross value of all such arrangements and transactions.

Directors and Heads of Service must liaise with the Director of Resources, and refer to Section 9 of these Regulations, **prior** to undertaking any bidding for external funding or setting up any partnerships.

(6) Commitments of revenue expenditure affecting future financial years.

The following arrangements shall apply in relation to the commitment of expenditure prior to the approval of the revenue budget for the financial year concerned:

- (i) Directors may commit expenditure affecting future financial years provided the estimated cost in real terms does not exceed the current year's budget provision and that the written consent of the Director of Resources is obtained.
- (ii) Directors may only commit expenditure on new or extended services with the approval of the relevant Service Committee and Policy and Finance Committee

(7) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

(8) Other matters affecting budgets

Directors are responsible for alerting the Director of Resources of any issues with the potential to affect revenue or capital budgets or resources in the current year or future years, and where significant the Director of Resources shall report such matters to the Policy and Finance Committee.

# Section 7: Procuring and paying for Works, Supplies and Services

## WHY ARE THESE REGULATIONS IMPORTANT?

The letting of public contracts should be done with demonstrable transparency and in accordance with Council policies, including the policy on fraud and corruption. It is essential for maintaining public confidence that the Council and its Officers are seen to act with complete fairness and impartiality in the letting of contracts.

The Council has a statutory duty to achieve best value, partly through economy and efficiency. There is also a local performance indicator measuring and reporting on the time taken by the Council to pay its creditors. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements.

These Regulations should be read in conjunction with the Council's Contract Procedure Rules and its Procurement Strategy.

- (1) Placing Orders for Works, Supplies and Services
  - (i) Where, **over the anticipated lifetime of supply**, the estimated value of any works, supplies or services to be received by the Council exceeds £50,000 (excluding VAT), Directors shall invite tenders in accordance with the Contract Procedure Rules
  - (ii) Where, over the anticipated lifetime of supply, the estimated value of any works, supplies or services to be received by the Council is below £50,000 (excluding VAT), Directors may at their discretion invite tenders in accordance with the Contract Procedure Rules
  - (iii) In all other cases, Directors shall place orders, using the corporate purchasing system only, in accordance with arrangements determined by the Director of Resources and set out in the Contract Procedure Rules. In accordance with the thresholds listed in the Contract Procedure Rules, a Contract where the estimated value is:
    - a) £5,000 or less may be made without written competitive quotations as long as the Contract is not part of a larger Contract. However, it must still be ensured that the best price is secured and value for money is maintained.
    - b) over £5,000 but not exceeding £20,000 may be made after obtaining **at least** two written quotations;
    - c) over £20,000 but not exceeding £50,000 may be made after obtaining **at least** four written quotations;

(2) Other contract terms

Directors shall:

- (i) in consultation with the Director of Resources include in every contract appropriate clauses to cover financial and insurance requirements, and to provide sufficient security for due performance
- (ii) put in place adequate procedures for the effective cost control of all contracts.
- (iii) ensure the full involvement of the Head of Legal and Democratic Services and Procurement Assistant **prior** to commencement of the tender process.

(3) Receipt of Works, Supplies and Services

Directors shall put in place adequate systems for verifying the performance of work or the receipt of supplies and services. In particular controls shall be established to ensure that:

- (i) work done or supplies and services received are as specified
- (ii) quality or workmanship is of the required standard
- (iii) appropriate entries are made in inventory, stock or other records.

(4) Payment for Works, Supplies and Services

- (i) Directors shall make adequate and effective arrangements approved by the Director of Resources for checking and certifying invoices and other requests for payment without undue delay
- (ii) Unless covered by (iii) below or where otherwise approved by the Director of Resources, all payments shall be made by crossed cheque or automated bank transfer drawn on a bank account of the Council. Payments may only be made by direct debit or corporate credit card with the **prior** approval of the Director of Resources.
- (iii) Minor items of expenditure, up to a limit set by the Director of Resources, may be paid under petty cash procedures.

(5) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to ordering and paying for works, goods or services, together with specimen signatures and details of any limitation on the authority delegated to them.

(6) General

- (i) Every Member and Officer engaged in contractual or purchasing decisions on behalf of the Council shall declare to the Head of Legal and Democratic Services any links or personal interests they may have with purchasers, suppliers and contractors, and shall comply with the provisions of the appropriate codes of conduct.
- (ii) Directors shall ensure that as far as is practicable the duties of ordering works, supplies or services, receiving them and certifying payment are not performed by the same Officer.

## Section 8: Work carried out for others

### WHY ARE THESE REGULATIONS IMPORTANT?

Legislation enables the Council to provide a range of services to other bodies. Such work may help maintain economies of scale and existing expertise. It may also be helpful to share the Council's facilities, expertise and resources with others under partnership arrangements. Effective controls should be in place to ensure that any risks associated with such work are minimised and that the work falls within the Council's statutory powers

- (1) Financial Regulations apply equally to any service carried out by the Council on behalf of the County Council or any other authority, body or person, and Directors shall not set up partnership or other arrangements with external parties to operate in conflict with these Regulations as far as this Council's involvement is concerned.
- (2) Directors shall:
  - (i) properly assess the financial implications of the proposal prior to commitment following consultation with the Director of Resources.
  - (ii) draw up contracts in consultation with the Head of Legal and Democratic Services, having regard to the Council's powers, relevant policies and protocols and in compliance with any insurance or other requirements of the Director of Resources.

## Section 9: External funding and partnership arrangements

### WHY ARE THESE REGULATIONS IMPORTANT?

Partnerships play a key role in delivering community strategies and in helping to promote and improve the well being of the District. The Council works in partnership with others - public agencies, private companies, community groups and voluntary organisations - and its distinctive leadership role is to bring together the contributions of the various stakeholders. The Council will mobilise investment, bid for funds, champion the needs and harness the energies of local people and community organisations. It will be measured by what it achieves in partnership with others.

Partnerships can provide ways to access new resources and share risk. They can also lead to innovative and improved ways of delivering services whilst forging new relationships. Whilst external funding is a very important source of income, funding conditions need to be carefully considered to ensure they are compatible with the aims and objectives of the Council. In some instances, tight specifications may not be flexible enough to link to the authority's overall plan. Also, new ways of working can increase the Council's exposure to fraud and to irregularities in the operation of, for example, VAT, insurances, and pay.

#### (1) Bidding for external funding

- (i) Directors shall seek external resources only to further the priorities and aims of the Council's Corporate Strategy.
- (ii) Before making a bid for resources which, if successful, would require any financial commitment from the Council, Directors shall ensure that appropriate budgets have been approved or earmarked in accordance with these Regulations
- (iii) In working up bids, Directors shall use appropriate project appraisal processes to assess the viability of the project in terms of resources, staffing and expertise, to identify and assess all potential risks, and to ensure achievement of the required outcomes.
- (iv) Completion of any bidding application must be carried out in consultation with the Director of Resources

#### (2) Setting up partnerships

- (i) Directors shall agree and accept formally in writing the roles and responsibilities of each of the partners involved in a partnership project before the project commences. [Any initial proposals must first be reported to and considered by the council's Corporate Management Team.](#)

- (ii) Where the Council is to be the lead partner, or the accountable body where other funds are involved, the responsibilities of the Council and the obligations of the various partners are to be clearly defined and understood through the involvement of the Director of Resources and the Head of Legal and Democratic Services prior to commencement of the project. The Council will only enter into such arrangements where the council has a direct interest in the partnership.
  - (iii) Directors shall consult the Director of Resources on:
    - (a) any financial control, insurance, VAT implications and audit requirements to be incorporated in the partnership arrangements
    - (b) the overall financial implications for the Council
  - (iv) Prior to entering into any commitment, the relevant Director shall ensure that any match funding or other financial obligations of the Council are provided for within revenue or capital programmes and that arrangements are made for future years' financial provisions to reflect these obligations. This should include any audit and other consequential fees as appropriate.
  - (v) Unless otherwise approved by the Director of Resources in writing, where the Council is to act as accountable body, banking arrangements will be through the Council's main bank account and all transactions will be processed through the Council's financial systems.
- (3) Working with partners
- (i) **These Financial Regulations and the Council's Contract Procedure Rules shall apply equally to any orders for works, goods or services which are the responsibility of the Council under the partnership arrangements**
  - (ii) The relevant Director shall comply with any key conditions of funding and any statutory requirements
  - (iii) Any variation in resources to be contributed by the Council, or in the overall resources of the partnership where the Council is the accountable body, shall be dealt with in the same way as other budget variations as set out in Section 6 (Budgetary Control)
  - (iv) The relevant Director shall ensure that any financial control, insurance and audit requirements of the partnership are met
  - (v) The relevant Director shall communicate regularly with the other partners throughout the project so that problems are identified and shared to achieve their successful resolution.

(4) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 10: Income

### WHY ARE THESE REGULATIONS IMPORTANT?

It is essential that **all** income due to the Council is identified, collected, receipted and banked promptly. To achieve this it is necessary to put effective income systems in place. It is preferable to obtain income in advance of supplying goods or services as this improves the authority's cash flow and also avoids the time and cost involved in administering debts.

(1) General

Directors shall implement arrangements made by them under this Section only with the approval of the Director of Resources.

(2) Prompt identification of sums due to the Council

Directors shall make adequate and effective arrangements for the prompt identification of all sums due to the Council.

(3) Prompt recording in the Council's accounts of all sums due

- (i) Directors shall make adequate and effective arrangements for recording all sums due in the Council's accounts
- (ii) Accounts for sums due may only be raised on the Council's corporate Sundry Debtors system, unless alternative arrangements have been approved [in writing](#) by the Director of Resources.

(4) Collection and receipting of all income

All income received by the Council must be acknowledged by the issue of an official receipt or by another approved method indicating payment has been received. [Preference must always be given to collecting sums due through the raising of invoices through the corporate Sundry Debtors system where possible.](#)

All money received by an officer on behalf of the Council must be paid to the Council's bank account as the Director of Resources may determine and at intervals taking in to account the security of the premises. No deductions are to be made from such monies and personal cheques are not to be cashed out of monies held on behalf of the Council. Any refunds must be made only through the council's official payments system, unless agreed by the Director of Resources.

Arrangements for opening incoming mail must ensure that any money received is immediately recorded and paid in to the cash office.

The council's cash handling procedures shall be followed by all officers.

Directors shall make adequate and effective arrangements for the collection and receipting of all income and for the security of all cash and other valuables having regard to agreed insurance limits for locked safes.

(5) Control of Tickets and Receipts

Official receipts [books](#), tickets, tokens, etc., shall be ordered, controlled and issued only under arrangements approved by the Director of Resources.

(6) Banking of income

The Director of Resources shall make arrangements for the prompt and secure transfer of cash from the Council's offices to the Council's bankers.

(7) Reconciliation of income

Directors shall make adequate and effective arrangements for the sums collected and banked to be reconciled with the records of sums due. [Such records and ICT systems will also be reconciled to the corporate accounting system.](#)

(8) Debt recovery

In all cases Directors shall take prompt and appropriate actions to recover all sums overdue to the Council and ensure that the corporate debt recovery policy is followed.

(9) Writing off sums due

- (i) Directors are responsible for recommending the write off of irrecoverable debts to the Director of Resources and for ensuring that the corporate debt write-off policy is followed.
- (ii) Where an individual debtor owes the Council no more than £1,000, the Director of Resources may approve the write off of that debt where there is satisfactory evidence that it is irrecoverable. In any other case, the debt may be written off only with the approval of the Policy and Finance Committee.

(10) Reviews of fees and charges

Directors shall, in consultation with the Director of Resources, review all fees and charges at least annually in accordance with guidelines approved by the Policy and Finance Committee. On completion of each review, the relevant schedule of proposed fees and charges shall be presented to the appropriate Service Committee for approval.

(11) Segregation of duties

The duty of providing information, calculating, checking and recording sums due to or from the Council shall be separated as completely as possible from the duty of collecting such sums.

## Section 11: Value Added Tax

### WHY ARE THESE REGULATIONS IMPORTANT?

Value Added Tax (VAT) is a tax applied to many of the goods and services the Council either buys in or supplies to others. VAT therefore impacts on many of the Council's financial transactions. Whilst generally speaking the Council is able to reclaim the VAT it pays on buying in goods and services, this ability is limited in relation to certain types of services made by the Council. VAT is a very complex tax, particularly where it relates to land and property transactions and partnership arrangements. It is essential that the VAT implications of all major projects, partnership arrangements and land and property transactions be evaluated well in advance of commitments being made. If this is not done the Council could be faced with a substantial irrecoverable VAT bill that is both unplanned and unbudgeted. HM Revenue & Customs also have the power to impose penalties (fines) for late or non-compliance with VAT rules.

- (1) The Director of Resources is responsible for the determination of all arrangements for the collection, recording, payment and recovery of VAT.
- (2) The Director of Resources shall:
  - (i) maintain complete and accurate accounting records of all the Council's VAT transactions
  - (ii) submit the Council's VAT return to HM Revenue and Customs monthly in accordance with statutory deadlines
  - (iii) prepare the Council's partial exemption calculation as at the end of each financial year and monitor the Council's partial exemption position quarterly
  - (iv) conduct all negotiations with HM Revenue and Customs in respect of VAT matters affecting the Council
  - (v) provide guidance, advice and training to Council staff on all aspects of VAT as they affect the Council
  - (vi) publish and regularly update appropriate VAT guidance notes on the Council's intranet.

- (3) Directors shall:
- (i) properly account for VAT on all transactions under arrangements determined by the Director of Resources
  - (ii) consult the Director of Resources in all cases where the VAT treatment of any transaction is unclear so that the matter can be reviewed and appropriate treatment determined
  - (iii) consult the Director of Resources in all cases where new projects, schemes or services are proposed, well in advance of commitments being made, so that any impact on the Council's VAT position can be assessed and any necessary action taken to protect the Council's VAT recovery position
  - (iv) co-operate with any VAT inspector and give access at all reasonable times to premises, personnel, documents and assets which they consider necessary for the purposes of their work.
- 

*Examples of activity with potential VAT implications*

*Examples of the types of new activity that could have an impact on the Council's VAT position are shown below. However, this list is not exhaustive and consultation should take place when any new or innovative scheme is proposed: -*

- *a new service*
  - *a significant extension to an existing service*
  - *a capital new-build scheme*
  - *a land or property transaction, including any involving a land exchange*
  - *a new or extended partnership arrangement*
  - *a scheme involving third party funding*
  - *an agency arrangement*
  - *any scheme where there is consideration in kind*
  - *a project where the council is to act as accountable body, or project manager*
  - *a new capital scheme in a service area where a large proportion of income is exempt from VAT (i.e. leisure services)*
-

## Section 12: Banking and Cheques

### WHY ARE THESE REGULATIONS IMPORTANT?

The Council has a duty to ensure that all monies are properly safeguarded and only utilised for authorised purposes. It is therefore necessary to have controls to ensure the proper authorisation and control of all bank accounts, all payments made from them and all income deposited.

#### (1) Operation of bank accounts

- (i) The Director of Resources is responsible for opening, closing and operating all bank accounts and related facilities in the Council's name
- (ii) All communications with the Council's bankers concerning its bank accounts and any changes in banking arrangements shall be made under arrangements approved by the Director of Resources.
- (iii) No bank accounts shall be opened in any name other than the Council's name, unless approved in writing by the Director of Resources. The signatories on any such approved bank accounts must also be approved by the Director of Resources in writing.

#### (2) Authorisation of signatories

Only Officers personally mandated by the Director of Resources and approved by the Policy and Finance Committee may sign cheques and other documents transferring funds out of the Council's bank accounts.

#### (3) Payments from Council bank accounts

- (i) All payments from the Council's bank accounts shall be, so far as is practicable, by crossed cheque or automated bank transfer but the Director of Resources may exclude from this regulation such payments as may be considered appropriate from time to time.
- (ii) No payments shall be made from the Council's bank accounts unless approved personally by a signatory authorised in accordance with (2) above.

#### (4) Custody of cheques

- (i) All cheques and related stationery shall be ordered and controlled by the Director of Resources
- (ii) The safe custody and issue of cheques and related stationery shall be carried out under arrangements made by the Director of Resources.

(5) Banking of income

The Director of Resources shall make arrangements for the prompt and secure transfer of cash from the Council's offices and facilities to the Council's bankers.

(6) Reconciliation

The Director of Resources shall regularly reconcile the Council's bank accounts with the accounting records.

## Section 13: Assets

### WHY ARE THESE REGULATIONS IMPORTANT?

The authority holds assets in the form of land and buildings, fixed plant, vehicles and machinery, furniture and equipment, software and data, cash and other items of value such as stocks and stores, tickets and vouchers. It is important that assets are used efficiently in service delivery, that they are adequately insured and that there are arrangements for the security of both assets and information required for service operations. Up to date records are a prerequisite for sound asset management. See also Sections 14 (Computer Systems) and 15 (Insurances).

#### 1) Proper use of the Council's resources

Resources are to be used solely for the purposes of the authority unless authorised otherwise by the Council, and are to be properly accounted for.

#### 2) Asset register

The Chief Executive is responsible, in consultation with other Directors, for the compilation and maintenance of an asset register covering land and property and other fixed assets

#### 3) Inventories

- (i) Each Director is responsible for maintaining an inventory of moveable assets under procedures determined by the Director of Resources
- (ii) Inventories are to be reviewed at least once each year and an updated copy supplied to the Director of Resources.

#### 4) Security

Directors shall make proper arrangements for:

- (i) the security of all buildings and other assets under their control
- (ii) the safe custody of all documents held as security.

#### 5) Disposal of Assets

The Council has a duty to obtain the best price reasonably obtainable when any assets are disposed of.

The Head of Legal and Democratic Services may approve the disposal of any land and property below the value of £50,000. Approval must be sought from the relevant service committee and Policy and Finance Committee for the disposal of any land and property of £50,000 or above.

The Director of Resources must also be consulted on any proposed method of disposal for any assets in order to ensure that such methods meet the best interests of the Council and would maximise any financial return to the Council.

Each Director is responsible for ensuring that asset disposals are in accordance with these procedures.

(6) Receipt, Control and Custody of Stocks and Stores

Directors shall make adequate and effective arrangements for the custody, care and physical control of all stocks and stores in their departments.

(7) Stocks and Stores Records

(i) In consultation with the Director of Resources, Directors shall maintain adequate records of all issues and other movements of stocks and stores

(ii) Directors shall provide to the Director of Resources each year a stock certificate detailing stocks and stores in hand at 31 March.

(8) Maintenance of stocks

(i) Directors shall maintain stocks at reasonable levels and subject them to a regular independent physical check

(ii) All discrepancies shall be investigated, pursued to a satisfactory conclusion and removed from the authority's records by making stock adjustments as necessary. Gains and losses resulting from stock adjustments shall only be written off or adjusted in the records under arrangements approved by the Director of Resources.

(9) Disposal of surplus, obsolete or redundant stocks

Directors shall ensure that all stocks and stores no longer required are disposed of economically under arrangements approved by the Director of Resources.

(10) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to sign stock certificates and other related matters on their behalf, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 14: Computer Systems

### WHY ARE THESE REGULATIONS IMPORTANT?

A very high reliance is placed on computer systems for all aspects of the Council's business, including financial and management information. Systems therefore need to be fit for purpose, well managed and secure. The information stored must be accurate, the systems and the supporting infrastructures secure, and procedures sound and well administered.

- (1) New computer systems and changes to existing systems shall only be introduced with the approval of the ICT Manager and, for financial systems or those that interact with such systems, with the additional approval of the Director of Resources.
- (2) The Head of Financial Services, together with the ICT Manager shall:
  - (i) ensure that any new or significantly changed system is in accordance with the Council's ICT strategy.
  - (ii) assist in the selection of all new computer systems, manage effectively the technical process of implementation and assist in ensuring that all staff are properly trained in their use.
  - (iii) ensure that the Council's infrastructure, systems and data are secure
  - (iv) make proper arrangements to protect central computer equipment against loss or damage through theft or misuse
  - (v) put in place a documented and tested disaster recovery system and review it regularly
  - (vi) issue mandatory standards and guidelines governing the use of all computer systems and monitor their use to ensure that they are adhered to.
  - (vii) [make proper arrangements to dispose of redundant ICT equipment securely.](#)
- (3) Directors shall:
  - (i) ensure that computer systems are fit for the purpose of their business function
  - (ii) make staff aware of and ensure that they comply with the Council's ICT standards

- (iii) train all staff in the proper and effective operation of any computer systems they are required to use and ensure that system administrators/[system champions](#) are appointed, trained and managed
- (iv) restrict user access to systems and data held on computer systems as appropriate
- (v) ensure that processing is genuine, complete, accurate and timely and that an audit trail exists to original documentation
- (vi) ensure that information generated by computer systems is accurate and complete and that it is communicated to appropriate managers on a timely basis
- (vii) put in place appropriate and effective contingency arrangements to maintain services in the event of any potential computer failure
- (viii) register any personal information in accordance with data protection legislation and make staff aware of their responsibilities under the relevant law
- (ix) make proper arrangements to protect departmental computer equipment against loss or damage through theft or misuse
- (x) comply with data protection, computer misuse, software licensing, copyright, design and patent legislation and any other relevant legislation, and in particular ensure that only software that is properly acquired is installed and used on computers.

(4) Security of Information

Directors shall maintain proper security, privacy and use of information held in computers and all other recording systems, including manual systems, under their control and ensure all employees are aware of and comply with the Council's Information Governance Framework and associated policies.

## Section 15: Insurances

### WHY ARE THESE REGULATIONS IMPORTANT?

The provision of insurance cover is one of the major methods of responding to corporate and service risks identified under the Council's risk management arrangements (see Section 16). Cover can be arranged either externally (with major insurance companies) or through an internal insurance pool. Accurate record keeping and timely provision of information are essential if the Council's insurance cover is to be effective. This Section should be read in conjunction with that relating to Risk Management.

- (1) The Director of Resources is responsible for:
  - (i) effecting all insurance cover on a corporate basis, through external insurance or through internal self-insurance arrangements as considered appropriate
  - (ii) negotiating all claims, in consultation with relevant Directors where necessary.
- (2) Directors shall notify the Director of Resources immediately in writing:
  - (i) of all new risks, properties, vehicles or other assets that require insurance;
  - (ii) of any alterations to such risks or assets affecting existing insurances;
  - (iii) should any of the authority's assets be damaged, lost or stolen;
  - (iv) of any loss, liability, damage or personal injury that may lead to a claim against the authority.

and shall provide any related information or explanation required within time scales determined by the Director of Resources.
- (3) Directors shall ensure that no employee or other person covered by the authority's insurances admits liability (orally or in writing) or makes any offer to pay compensation, because this may prejudice a proper assessment of the Council's liability.
- (4) Directors shall maintain proper records relating to insurances effected by the authority, under arrangements approved by the Director of Resources.
- (5) Directors shall consult the Director of Resources and seek legal advice from the Head of Legal and Democratic Services on the terms of any indemnity that the authority is requested to give.

- (6) Directors shall consult the Director of Resources to determine the minimum level of insurance cover required of any person or body (including all Council contractors) to indemnify the Council or to effect insurance cover in accordance with the Council's requirements.

## Section 16: Risk Management

### WHY ARE THESE REGULATIONS IMPORTANT?

The Council faces numerous risks: to people (including its employees), to property, to its reputation and to continuity of service delivery. Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to successfully execute its strategies. This will include both external and internal risks. Risk Management is the process by which risks are identified, evaluated and controlled. Risk management seeks to protect the Council and enable us to achieve our stated aims and objectives. It also seeks to maximise the rewards that can be gained through effectively managing risk. It is the responsibility of the Accounts and Audit Committee to approve the Council's risk management policy and strategy and to promote a culture of risk management awareness throughout the organisation.

This Section should be read in conjunction with that relating to Insurance (see Section 15), which is just one tool used in the control of organisational risk.

- (1) The Accounts and Audit Committee shall approve and promote the authority's corporate risk management policy and strategy.
- (2) The Director of Resources shall:
  - (i) develop risk management processes and procedures to assist in the identification, assessment, reduction and control of material risks
  - (ii) undertake regular monitoring and review of the corporate and service arrangements for effective risk management.
- (3) Directors are responsible:
  - (i) for risk management within all areas under their control, having regard to appropriate advice from the Director of Resources.
  - (ii) for carrying out regular reviews of risk, risk reduction strategies and the operation of appropriate controls (including business continuity plans) within their departments.
- (4) Directors shall consult the Director of Resources and seek legal advice from the Head of Legal and Democratic Services on the terms of any indemnity that the authority is requested to give.
- (5) Directors shall promptly notify the Director of Resources of all new risks that are material, as they are identified.

## Section 17: Internal Audit

### WHY ARE THESE REGULATIONS IMPORTANT?

The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2015 more specifically require that a “relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.

Accordingly, internal audit provides one aspect of an independent and objective assurance in the review of the system of internal control as a contribution to the proper, economic, efficient and effective use of resources. In fulfilling this responsibility the internal audit service comply with best practice as set out in the Public Sector Internal Audit Standards and the associated CIPFA Local Government Application Note

- (1) The Director of Resources shall ensure that the internal audit service is independent in its planning and operation.
- (2) The Director of Resources or their authorised representative shall have authority to enter at all reasonable times any offices, premises or land under the control of the Council and shall have unrestricted access to all records, documents and correspondence relating to any matter under consideration, without limitation.
- (3) All staff shall provide such information and explanations as the Director of Resources considers necessary and shall produce upon demand cash, stores, documents or other property of the Council under their control.
- (4) Directors, Heads of Service and other staff shall immediately notify the internal audit service on behalf of the Director of Resources upon discovery or suspicion of any financial irregularity, whether affecting cash, stores, property, financial records or otherwise. The Director of Resources shall notify the Chief Executive in all significant cases.
- (5) The Council sets out in policy documents its approach to fraud and corruption and to “whistleblowing”.
- (6) The internal audit service has direct access to the Chief Executive, to all levels of management and to elected Members.

## Section 18: External Audit and Inspection

### WHY ARE THESE REGULATIONS IMPORTANT?

~~Public Sector Audit Appointments Limited (PSAA) is an independent company limited by guarantee incorporated by the Local Government Association in August 2014.~~

~~The Secretary of State for Communities and Local Government delegated statutory functions (from the Audit Commission Act 1998) to PSAA.~~

~~Under these arrangements, the company is responsible (where public bodies have opted in for 2018/19 onwards) for appointing auditors to local government, police and local NHS bodies, for setting audit fees and for making arrangements for the certification of housing benefit subsidy claims (up to and including the 2017/18 financial year).~~

The basic duties of the external auditor are governed by statute. In fulfilling their responsibilities the external auditor works to a set code of audit practice.

The authority may from time to time also be subject to audit, inspection or investigation by various other external bodies. Government department inspectorates and bodies such as HM Revenue and Customs have statutory rights of access. Rights of access are also sometimes granted under contractual arrangements, including partnerships where the Council is not the lead body. It is important that all Officers of the Council respond to external scrutiny in a timely, professional and helpful manner.

- (1) The Director of Resources shall facilitate the coordination of the work of internal and external audit together with ensuring appropriate consideration of external audit reports by management and/or Members.
- (2) Co-ordination of all other inspection and independent review work shall be the responsibility of the relevant Director.
- (3) Directors shall give external auditors and inspectors access at all reasonable times to premises, personnel, documents and assets which they consider necessary for the purposes of their work.

## Section 19: Treasury Management and Leasing

### WHY ARE THESE REGULATIONS IMPORTANT?

Treasury Management is in place to provide assurance that the authority's money and overall cash flow are properly managed, in a way that balances risk with return but with overriding consideration being given to the security of investments.

The signing of leases and other forms of credit can have a wider financial impact than just the rental payments. It is therefore necessary that the Director of Resources be given the opportunity to evaluate the costs of any potential agreement before it is legally binding.

#### (1) General

The Director of Resources is responsible for all investment, borrowing and leasing undertaken in the name of this authority.

#### (2) Treasury Management

The Director of Resources shall:

- (i) prepare annually a Treasury Management Policy Statement covering all aspects of treasury management for consideration by the Policy and Finance Committee and recommendation to Full Council
- (ii) prepare annually a Treasury Management Strategy setting out the Council's strategy for consideration and approval by the Policy and Finance Committee and recommendation to Full Council.
- (iii) prepare annually an Investment Strategy for consideration and approval by the Policy and Finance Committee and recommendation to Full Council.
- (iv) prepare annually ~~(2018/19 onwards)~~ a Capital Strategy for consideration and approval by the Policy and Finance Committee and Full Council.
- (v) recommend to Full Council before the commencement of each financial year a range of Prudential Indicators, including borrowing limits, to be set for that financial year in accordance with statute and the CIPFA Prudential Code.
- (vi) provide regular treasury management monitoring reports to Policy and Finance Committee
- (vii) arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management

and the authority's Treasury Management Policy Statement and its annual Strategy

(viii) make all investments, borrowings and other financing transactions only in the name of the authority or in the name of nominees approved by Full Council.

(3) Leasing and Similar Arrangements

Leasing and other similar arrangements, including new or extended leases of land and property, may only be entered into with the written consent of the Director of Resources. Such arrangements may be defined for this purpose as any lease, contract hire or other contract or series of contracts under which the use of an asset is obtained in exchange for a series of payments which extend beyond the end of the following financial year.

(4) Delegation

The Director of Resources shall maintain in writing a list of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 20: Pay and Conditions of Employment

### WHY ARE THESE REGULATIONS IMPORTANT?

Staffing costs are the largest single item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are paid in accordance with the scheme adopted by Full Council.

Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax can be severe. It is therefore important for all Officers to be aware of their role.

#### (1) General

Terms and conditions of employment are to be determined by the Council and the Personnel Committee. The Director of Resources is responsible for the administration of all arrangements for the payment of salaries, wages, pensions, and car loans to eligible employees, travel and subsistence claims and other emoluments to existing and former employees, and for all related matters.

#### (2) Deductions from Pay

The Director of Resources shall make proper arrangements for all statutory and other deductions from pay, including tax, national insurance and pension contributions, and payment of such sums to the bodies concerned.

#### (3) Terms of employment

Directors, in consultation as necessary with the Head of Human Resources, shall promptly notify the Director of Resources of:

- (i) the terms and conditions applying to new contracts of employment
- (ii) any changes or events affecting the salaries, wages or emoluments of the Council's employees
- (iii) all resignations, retirements and terminations of employment.

(4) Provision of Information

Directors shall provide to the Director of Resources:

- (i) all relevant information, including notifications of sickness absence, in an agreed format and within agreed time scales to enable the prompt and accurate payment of all elements of pay
- (ii) notification of the impending departure of any employee involved with the custody of cash or stores.

(5) Members' Allowances

Payments to elected Members of the Council shall be made by the Director of Resources in accordance with the Council's approved scheme.

(6) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 21: Reports to Members

### WHY ARE THESE REGULATIONS IMPORTANT?

New and changing policies of the Council result from consideration of reports, either from Members or Officers. Policies could therefore be set on the basis of insufficient or misleading information if both the financial and risk management implications have not been considered, and if commitments are made these could lead to financial difficulties for the Council.

- (1) Reports shall only be put before the Council, Committees, or Working Groups if a risk assessment on Resources, Technical, Environmental, Legal, Political, reputational, Equality and Diversity issues for the Council have been considered and presented fairly in the report. Informal advice to Members shall also have regard to any significant financial or legal implications.
- (2) Consultation shall take place as appropriate between the authors of reports, the Director of Resources and any other Directors affected, in good time for any financial, risk management and legal implications to be properly identified.
- (3) Where there are no financial risk management or legal implications or they are negligible, the report shall say so.

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### Examples of proposals with potential financial implications

*Broadly speaking any actual or proposed action or decision that affects the Council's finances in any way has a financial implication.*

*Listed below are examples of actions or decisions that are likely to have a financial implication. However this list is not exhaustive and it should be borne in mind that other areas of action or decision will undoubtedly have financial implications too.*

- *Anything that affects the current year's budget or capital programme, for example:*
  - *a new service*
  - *an improved service level*
  - *cessation of a service*
  - *a reduction in service level*
  - *a new capital project*

- *Anything that affects the budget or capital programme of future years, for example:*
  - *ongoing net cost of a new or improved service*
  - *ongoing net revenue cost of a new capital project*
  - *reduced ongoing effect of service cessation or reduction*
  - *reduced ongoing effect of the sale or disposal of a capital asset*
- *Anything that affects the Council's level of income, for example:*
  - *an increase or reduction in charges*
  - *introduction of a charge for a service currently provided free*
  - *free provision of a service currently provided at a charge*
- *Anything that affects the Council's ability to recover VAT, for example:*
  - *provision of a new exempt or partly exempt service*
  - *a new capital project or existing capital asset to be used for exempt or partly exempt purposes*
  - *transfer of a service or undertaking to another body*
- *Anything that affects the Council's entitlement to government grant, for example:*
  - *action which may result in an increase or reduction of grant entitlement*
- *Anything that enables the Council to attract outside funding from any source, for example:*
  - *a new partnership*
  - *a new third party funding arrangement*
  - *a new agency arrangement*
- *Anything that could potentially expose the Council to legal action, government surcharge or other financial penalty, for example:*
  - *an action which could be subject to legal challenge*
  - *an action which could lead to fines or penalties being imposed on the Council*
- *Any action that may result in the payment of redundancy or other staff severance costs, for example: -*
  - *cessation of a service leading to a surplus of staff*
  - *reduction in a service level leading to a surplus of staff*
  - *externalisation of a service (including where TUPE applies)*

- *Any action that would affect the market value of a Council asset, for example:*
  - *a reduction in the maintenance level of an asset leading to a lower asset value*
- *Any action likely to increase the Council's insurance costs, for example:*
  - *the use of a Council asset for what is perceived to be a higher risk purpose*
  - *a worsening claims record*

# Glossary

## Asset register

A detailed listing of land, buildings, vehicles and major items of plant and equipment (assets). Asset registers are important because they enable an effective assessment of the management of assets to be made through a comprehensive record of attributes. They are also a useful basis for arranging appropriate insurance cover and substantiating insurance claims in the event of fire, theft or other loss.

## Budget

A statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and the capital programme and any authorised amendments to them. It does not however include the forward financial forecast, which is for financial planning purposes only.

## Budget Book

The publication in which the Council sets out its budget for a particular financial year.

## Budgetary control

The continual review of expenditure and income, both revenue and capital, against planned levels of expenditure and income to help ensure that service objectives are achieved and the overall resources of the Council are not over or underspent. This process is aided by the use of budget profiles.

## Budget provision

The amount approved by the Council for a particular budget head.

## Capital contributions

Sums contributed by external persons and bodies towards the cost of capital schemes to be carried out by the Council. These can derive from planning agreements with developers in the form of S106 agreements but also include sums recovered from or contributed by third parties.

## Capital expenditure

This generally relates to expenditure on the acquisition or enhancement of fixed assets which will be of use or benefit to the authority in providing its services for more than one year. It also includes grants to other persons and bodies for spending by them on similar purposes.

### Capital programme

The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also provides estimates of the capital resources available to finance the programme and a statement of any under- or over-programming.

### Capital receipts

The proceeds from the disposal of land and other assets which are available to finance new capital expenditure. Statute prevents capital receipts being used to finance revenue expenditure.

### Capital resources

The resources earmarked either by statute or by the Council to meet the cost of capital expenditure instead of charging the cost directly to revenue. The definition covers borrowing, capital receipts, and grants and contributions from external persons and bodies given for capital purposes. The Council may also contribute revenue resources to the financing of capital expenditure, and for as long as these are included in the capital programme, they are regarded similarly as capital resources.

### Capital Strategy

The capital strategy sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

### CIPFA

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the leading professional body for accountants employed in the public sector. It issues Codes of Practice and other guidance as appropriate on matters which are addressed by these Regulations.

### Codes of conduct

The protocols within which Members and Officers will work as set out in parts of the Constitution.

### Codes of practice

Guidance issued normally by professional bodies in relation to standards which are not regulated by statute. For example, CIPFA have issued Codes of Practice giving detailed guidance on accounting standards and treasury management.

### Collection Fund

The fund into which Council Tax and Business Rates are paid and out of which the precepts of Lancashire County Council, Police and Crime Commissioner for Lancashire, Lancashire Combined Fire Authority, and Ribble Valley Borough and Parish Councils are met. Any surplus or deficit is shared between the various authorities, other than Parish Councils, on the basis of precepted amounts.

### Computer systems

Commercially available software which might be acquired for use on Council computers, whether mainframe, local PC or networks. For the purposes of these Regulations, the definition is not intended to cover applications to which such systems might be put.

### Contingency provisions

Money set aside in the budget to meet the cost of unforeseen items of expenditure or shortfalls in income and to provide for changes in inflation and interest rates compared with the assumptions on which the rest of the budget was set.

### Contract Procedure Rules

The Council's rules relating to the procurement of works, supplies and services as set out in the Constitution. These are supported by Section 7 of these Regulations.

### Corporate governance

The system by which local authorities direct and control their functions and relate to their communities.

### Corporate Strategy

A statement made by a local authority setting out its long-term aims for the community it serves, the organisational aims of the Council and the main values which underpin its work for the community.

### Council Tax

A local tax based on the capital value of residential properties. The level set by an authority for a particular year will be broadly determined by its expenditure on General Fund services less other income, use of Council reserves and government grant.

### Council Tax base

A figure calculated annually to represent the number of dwellings over which the Council Tax for the following financial year may be collected. All dwellings within the District are valued by the Valuation Office Agency and classified into one of eight bands (A to H), each of which is expressed as a proportion of Band D. The Council Tax base is the number of dwellings expressed in terms of a Band D average, after making allowance for discounts, premiums and exemptions. An adjustment is made for the estimated collection rate. When the Council sets the level of Council Tax for that year, it is expressed as an amount due from Band D properties.

### Creditors

A person or body to whom the Council owes money.

### Debtor

A person or body who owes the Council money. The debt may derive from a number of sources such as Council Tax, Business Rates, sundry debtors or where an account has been rendered for a service provided by the Council.

### Earmarked Reserves

See "Reserves"

### Estimates

The amounts which are expected to be spent, or received as income, during an accounting period. The term is also used to describe detailed budgets which are being prepared for the following financial year or have been approved for the current year. The “original estimate” for a financial year is that approved as part of the budget prior to the start of that year and the “revised estimate” is an updated revision for that year.

### External Audit

An independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

### Fees and charges

Charges made to the public for Council services and facilities.

### Financial Regulations

That part of the Council’s Constitution which provides an approved framework for the proper financial management of the authority.

### Financial year

The period of twelve months commencing on 1 April.

### Forward financial forecast

The estimated revenue budget for the two financial years immediately following the budget year, or the totals of such estimates. The forecast conveys no authority to spend, and is made for financial planning purposes only.

### General Fund

The revenue fund of the Council covering day-to-day expenditure and income on services. The net cost on this account is met by Council Tax.

### Internal audit

An independent appraisal function for review of the internal control system of an organisation. It objectively examines, evaluates and reports on the adequacy of internal controls as a contribution to the proper, economic, efficient and effective use of resources.

### Inventory

A detailed listing of all goods, materials, furniture and equipment in the ownership or use of a particular service, other than those held in stocks and stores records. Inventories are normally maintained in sufficient detail as to description, location, age, value etc. to enable any material loss arising from a fire, theft or other event to be identified and to support any insurance claim.

### Investment Strategy

A statement of policies for determining the type, value and length of investments that the Council will use to place its surplus funds and also for determining appropriate third parties with whom these investments will be placed.

### Leasing

A method of acquiring the use of capital assets which is similar to renting. Normally this kind of arrangement is only suitable for vehicles, plant and equipment. Ownership of the asset remains with the leasing company and the annual rental is charged directly to the Council's revenue accounts.

### Members' Allowances

A scheme of payments to elected Members of the Council in recognition of the duties and responsibilities assumed by them.

### Precept

The amount that Councils and certain other public authorities providing services within Ribble Valley require to be paid from the Collection Fund to meet the cost of their services.

### Prudential Indicators

The Prudential Indicators are designed to support and record local decision making regarding capital investment. The CIPFA 'Prudential Code for Capital Finance in Local Authorities' requires each local authority to agree and monitor mandatory prudential indicators.

### Reserves

A Council's accumulated surplus income in excess of expenditure. Reserves are available at the discretion of the Council to meet items of expenditure in future years, and may be earmarked or held for general purposes. An example of an earmarked reserve is the Capital Reserve Fund.

### Revenue

A term used to describe the day-to-day costs of running Council services and income deriving from those services. However, it also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

### Risk

Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted action, event or occurrence.

### Risk management

Risk management is the adoption of a planned and systematic approach to the identification, evaluation and management of risk.

### Risk Management Policy and Strategy

This is approved by the Accounts and Audit Committee endorsing the commitment of the Council to effective risk management and sets out the responsibility of Members, Directors and all staff for the identification, control and reduction of risk and the containment of loss in all aspects of their activities.

### Statement of Accounts

The Council's annual report on its financial position for the year ending 31 March. The report is required to be in a prescribed format and is subject to independent review.

### Supplementary estimate

The approval of an increase in the level of a particular budget head, or the establishment of a new budget head, under the procedure laid down in Section 6 of these Regulations. Where an existing budget head is involved, a supplementary estimate would not normally be approved where an appropriate virement was available. Supplementary estimates may only be sanctioned by Members.

### Treasury Management

The management of the authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks. It includes the setting of and monitoring compliance with the Prudential Indicators.

### Treasury Management Policy Statement

A statement approved by the Full Council setting out the parameters within which treasury activities are to be managed.

### Treasury Management Strategy

The strategy for the treasury management activities to be adopted for a particular financial year as approved by the Policy and Finance Committee and Full Council within the parameters set by the Treasury Management Policy Statement. The strategy needs to be flexible enough to allow the Director of Resources to respond appropriately to changing circumstances during the course of the year to the best advantage of the Council.

### Virement

The transfer of budget provision from one budget head to another, under the procedure laid down in Section 6 of these Regulations. Virement decisions apply to revenue expenditure heads, and may on occasions be between expenditure and income, and may include transfers from contingency provisions. However, Virements may not be approved between capital and revenue budget heads. Virements may be approved by Service Directors and the Director of Resources up to an amount specified in the Regulations, after which approval is required by Members.

### Write off

The action taken to charge to the Council the amount due from some external party which has been found to be irrecoverable from that party. Whilst the sum remains due to the Council in law, it will no longer be shown as outstanding in the Council's accounts.

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# Contract Procedure Rules

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January 2019

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Ribble Valley  
Borough Council

[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)

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## Contract Procedure Rules

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## CPR1: Interpretation

- 1.1 These Contract Procedure Rules are standing orders of the Council (made pursuant to Section 135 of the Local Government Act 1972) with respect to the making of Contracts.
- 1.2 In these Rules, each of the expressions in the left-hand column below shall have the meaning stated against that expression in the right-hand column.

<b>Responsible Officer</b>	any permanent or temporary staff member who is properly authorised to carry out any of the Council's contracts functions. Such persons must keep their relevant Director fully informed of any proposed actions under these Contract Procedure Rules.
<b>Director</b>	is the Chief Executive or a Director
<b>Heads of Service</b>	Includes, for the purposes of these Contract Procedures Rules, all Heads of Service (or, in the absence of the Head of Service, their nominated representative). Such persons must keep their relevant Director fully informed of any proposed actions under these Contract Procedure Rules.
<b>Committee</b>	means a Committee or Sub-Committee of the Council.
<b>Contract</b>	is any agreement between the Council and one or more Providers for the supply of goods or materials for or on behalf of the Council, for the execution of works for or on behalf of the Council, or for the provision of services to the Council or to others on its behalf (including but not limited to the provision of services, wholly or partly, in return for a concession).
<b>CPR</b>	Contract Procedure Rule.

## Contract Procedure Rules

<b>EU Contract</b>	is a Contract covered by the EU Public Contracts Directive.
<b>Provider</b>	is any contractor supplying or offering to supply goods, works, or services (including concessions) to the Council and includes any individual, firm, agent, company, partnership, public authority or other organisation.
<b>Section 151 Officer</b>	is the officer with responsibility for the proper administration of the financial affairs of the Council in accordance with Section 151 of the Local Government Act 1972 (Director of Resources) or their Deputy.

- 1.3 References to monetary values in these Contract Procedure Rules **exclude VAT**. The values quoted relate to the total value of a contract **over the full anticipated lifetime of supply**.
- 1.4 Where reference is made in these Contract Procedure Rules to the Director of Resources, in the absence of that Officer, the Head of Financial Services is the authorised substitute. Likewise, in the absence of the Head of Legal and Democratic Services the Council's Solicitor will be the authorised substitute.

## CPR2: Scope and Application

- 2.1 These Procedure Rules shall apply to any Contract, with the exceptions listed in CPR 2.2, and also to the nomination of sub-contracts under any such Contract (whether in each case the Council is contracting or nominating on its own behalf or wholly or partly on behalf of others).
- 2.2 These Procedure Rules do not apply to transactions of the following types:
- a) Purchases or sales by auction or at public fairs or markets;
  - b) Contracts for the sale or purchase of land;
  - c) Contracts for the engagement of Counsel, or for the engagement of external Solicitors to represent the Council in specified legal proceedings;
  - d) Contracts with statutory undertaking(s) for work which only they can carry out;
  - e) Contracts of employment;
  - f) Orders placed with such consortia or framework agreements as may be approved by the Director of Resources provided that the council is satisfied that the purchasing arrangements of the consortia or framework agreement in question comply with EC and UK legislation and provide value for money;
  - g) Contracts formalising the funding of particular voluntary sector bodies where the purpose of the contract is to establish the general conditions whereby the body may be funded by the Council.
- 2.3 All employees of the Council and firms/advisors employed to act in any capacity to manage or supervise a Contract must comply with these Procedure Rules and with the Council's Financial Regulations and Directors and each Head of Service must ensure such compliance in the contracting area for which they are responsible. The relevant Director must be kept informed by the Head of Service or Other Responsible Officer at all times of any proposed actions under these Contract Procedure Rules.

## CPR3: Responsibilities and Officers' Duties

### 3.1 Responsible Officers shall always:

- (a) seek value for money;
- (b) show no favour or disfavour to any Provider nor discriminate against Providers from other EC states;
- (c) conduct tendering and price testing in accordance with proper practices and the highest standards of propriety;
- (d) do nothing that contravenes EC or domestic law;
- (e) ensure that adequate Contract files are kept and retained for all Contracts upon which they are engaged, ensuring a copy is also passed to the Procurement Assistant for inclusion on the council's Contracts Register; and
- (f) consider any implications under the Transfer of Undertaking (Protection of employment) (TUPE) and obtain advice from the Head of Legal and Democratic Services before proceeding with the production of any Invitation to Tender documentation.

## CPR4: Compliance with Contract Procedure Rules and Legislation

- 4.1 Every Contract made by the Council or on its behalf shall comply with the European Community Treaty and all relevant European Union and domestic legislation, these Contract Procedure Rules and the Council's Financial Regulations subject to the following provision.
- 4.2 **Arrangements made to meet the requirements of any present or future domestic legislation or EU Directive shall take precedence over any provision of these Contract Procedure Rules.**

## CPR5: Exemptions from Contract Procedure Rules

- 5.1 Exemptions from the requirements of these Contract Procedure Rules **are to be the exception and not the rule**. They must not be granted as a matter of administrative convenience and must be supported by documented and evidenced reasons as to the legitimate need for the exemption to be granted.
- 5.2 When an exemption is sought from tendering or the requirement to obtain written quotations, the relevant Director or Head of Service will need to justify the use of an alternative method of selection so that propriety, value for money and **compliance with EU and domestic legislation** can be demonstrated. It will also include reasons such as:
- (a) that only one Provider is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive or proprietary rights;
  - (b) that time limits required for tendering cannot be met for reasons of extreme urgency and which (in EU cases) were unforeseen and unattributable to the Council;
  - (c) that additional goods, works or services are required which, **through unforeseen circumstances**, were not included in the original contract and which are either strictly necessary for the completion of the Contract or, for technical or economic reasons, cannot be carried out separately without great inconvenience/additional costs;
  - (d) that goods are required as a partial replacement for or in addition to existing goods or installations and obtaining them from another Provider would result in incompatibility or disproportionate technical difficulties in operation or maintenance.
  - (e) That despite seeking the relevant number of quotations, insufficient quotations have been obtained (see 6.5 below)
- 5.3 The Director or Head of Service must keep a written record justifying any exemption(s) under paragraph (a) to (e) above and seek the **prior** agreement of both the Head of Legal and Democratic Services and the Director of Resources. The Director or Head of Service must then report to the next possible meeting of the relevant Service Committee details of the granting of such exemptions and the reasons.
- 5.4 Exemption (on grounds other than 5.2 (a) to e)) from any of the following provisions of these Procedure Rules may be made only by the direction of the relevant Service Committee where such Service Committee is satisfied that the exemption is justified in special circumstances.

5.5 No exemption may be granted:

- (a) which would result in a breach of European or UK law;
- (b) from CPR 18 unless on grounds of extreme urgency (e.g. during civil emergency) (Acceptance of Tenders); from CPR 20 (Form of Contract); or from CPR 21 (Execution of Contracts).

## CPR6: Requirements to Obtain Quotations or Tenders

### Contracts not requiring tendering

6.1 The following contracts need not be tendered.

- (a) Contracts valued at £50,000 or less (unless required by EU law). It must be ensured that the contract value used in assessing this is the total value of a contract **over the full anticipated lifetime of supply**.

PROVIDED that such contracts are effected in compliance with the Council's Financial Regulations and all appropriate internal controls.

### Contracts valued at £50,000 or less

6.2 An official order shall be placed immediately using the Council's approved Purchase Ordering System.

6.3 A Contract made under CPR 6.2 where the estimated value is:

- (i) £5,000 or less may be made without written competitive quotations as long as the Contract is not part of a larger Contract. However, it must still be ensured that the best price is secured and value for money is maintained.
- (ii) over £5,000 but not exceeding £20,000 may be made after obtaining **at least** two written quotations;
- (iii) over £20,000 but not exceeding £50,000 may be made after obtaining **at least** four written quotations;

6.4 Under no circumstances should Contracts be broken down in size so as to have the effect of lowering the Contract value or to avoid the requirements for tendering or the need for written quotations. It must be ensured that the contract value used in assessing the above bandings is the total value of a contract **over the full anticipated lifetime of supply**.

6.5 Where the relevant number of quotations has been sought, but fewer quotations have been obtained, the Director or Head of Service may seek an exemption from the requirement to obtain the number of quotations specified above with the written agreement of the Head of Legal and Democratic Services and Director of Resources. The Director must then report details of any such exemption to the next possible meeting of the relevant Service Committee (see CPR5 5.3).

6.6 In all cases, except where it is impracticable for reasons of extreme urgency, confirmation of the Provider's terms of business (usually a written quotation) shall be obtained before an order is placed. The placing of an official order on the Council's approved Purchase Ordering System will also ensure the application of the council's own Terms and Conditions to the order.

- 6.7 The Responsible Officer shall keep a written record of the Providers approached, their responses, details of any quotations provided, the subject matter of the quotation, the name of the Provider, the time and date of the quotation and details of the price offered and any other trading terms.

**Contracts valued at more than £50,000**

- 6.8 All Contracts with an estimated value over £50,000 shall be subject to competitive tender in accordance with CPR 12, unless exempted in accordance with CPR 5 or awarded by way of extension to an initial Contract for works in accordance with CPR 12.1(b).

## CPR7: Award of Contracts without Tendering – Contracts less than £50,000 or greater than £50,000 with Exemptions

- 7.1 No Contract may be awarded unless the expenditure involved has been included in approved revenue or capital estimates. The Responsible Officer shall ensure that evidence of authority to spend, and the budget code to be used, is recorded on the Contract file.
- 7.2 Contracts with a quoted value of £50,000 or less may be awarded on behalf of the Council by the relevant Director to the Provider who offers the lowest price or in exceptional circumstances whose offer is considered by the Director, in consultation with the Director of Resources, to be the most economically advantageous to the Council, provided in both cases the price quoted is within the budgetary limits approved by the Council or by Policy and Finance Committee as a supplementary estimate.
- 7.3 Contracts with a quoted value in excess of £50,000 (where an exemption from Tendering has been granted) may be awarded on behalf of the Council by the relevant Director in consultation with the Chairman of the relevant Service Committee to the Provider who offers the lowest price or in exceptional circumstances whose offer is considered by the Director, in consultation with the Director of Resources, to be the most economically advantageous to the Council provided in both cases the price quoted is within the budgetary limits approved by the Council or by Policy and Finance Committee as a supplementary estimate.
- 7.4 No contract with a quoted value in excess of £50,000 (where an exemption from Tendering has been granted) shall be awarded until the Director of Resources has checked the Provider's financial standing and provided written confirmation that this is satisfactory for the Contract to be undertaken.
- 7.5 Details of all Contract awards shall be forwarded to the Procurement Assistant for inclusion on the Council's Contracts Register as soon as possible after the award and prior to works commencing. Such notification must also include evidence of the authority to enter into the Contract.

## CPR8: Interests of Officers in Contract Matters

8.1 Directors, Responsible Officers and any other person (whether or not in the employment of the Council) assisting either of them in connection with any part of the procurement process shall comply with all requirements applicable from time to time of the law and of the Council's Code of Conduct for Employees as regards:

- (a) the declaration of interests (either generally or in relation to a particular procurement matter), and;
- (b) refraining from participation in some or all stages of particular procurement matters.

NB: At the time of adoption of these Rules, the Current provisions are:

- Section 117(1) of the Local Government Act 1972;
- The Council's Code of Conduct for Employees.

## CPR9: Approved Lists

- 9.1 This Rule shall apply where, in the opinion of the relevant Director or Head of Service and subject to the approval of Policy and Finance Committee, it is considered appropriate to maintain a list of approved Providers for specific categories of work of a value not exceeding £50,000 over the full anticipated lifetime of supply. The use of online services for shortlisted or approved suppliers is included under this Contract Procedure Rule.
- 9.2 There shall be compiled and maintained lists of Providers in respect of Council contracts. Such lists shall contain the names of all Providers who wish to be included in them and who are approved by the relevant Committee according to written criteria.
- 9.3 With the exception of online services for shortlisted or approved suppliers, the relevant Head of Service shall maintain the approved lists and shall ensure they are reviewed at intervals not exceeding three years.
- 9.4 At least every three years a public notice shall be given in one or more local newspapers and such trade journals as are considered desirable inviting Providers to apply to have their names placed on the approved lists.
- 9.5 The approved list shall indicate for each included Provider the categories of Contract and the value or amounts in respect of those categories for which approval has been given.
- 9.6 The use of Providers on any approved list shall follow the same requirements as those listed under CPR6 with regard to number of quotes to be requested.

## CPR10: Estimates of Contract Value

- 10.1 Before inviting tenders or quotations for the execution of any work or for the provision of any goods or services the relevant Head of Service shall keep a written record of the estimate in writing of the likely expense of executing the work, or the provision of goods or services in a suitable manner.
- 10.2 For the purpose of these Contract Procedure Rules, the value of a contract is the expected amount of consideration (in money or money's worth) that will be received by the person or organisation that carries out the works or provides the services or supplies, **over the full anticipated lifetime of supply**.
- 10.3 Where some, or all of the contract price is funded by a third party, it must be the gross value of the goods or services that is used in any assessment of contract value.
- 10.4 Estimates of value and methods of valuation must be genuine and not designed to avoid exceeding any threshold contained in these Contract Procedure Rules.
- 10.5 No tender can be accepted where its value is in excess of the Public Procurement Rules (OJEU) threshold. Therefore any Head of Service that estimates a contract value that is **near** to such thresholds **must** undertake a Public Procurement Rules (OJEU) compliant tender exercise.

## CPR 11: Pre-Tender/Quotation Enquiries

11.1 Enquiries of Providers may be made before tenders or quotations are invited in order to:

- (a) establish whether the goods, works or services the Council wishes to purchase are available, within what price range and whether they would be the best option for the required outcome;
- (b) better inform the preparation of tender documents, price estimates, specifications and contract documents;
- (c) establish whether particular Providers wish to be invited to tender or quote.

11.2 In making enquiries:

- (a) no information will be disclosed to one Provider which is not then disclosed to all those of which enquiries are made or which are subsequently invited to tender or quote;
- (b) no Provider will be led to believe that the information they offer will necessarily lead to them being invited to tender or quote or be awarded the Contract.

## CPR12: Competitive Tendering – Contracts over £50,000 (or optionally below £50,000)

- 12.1 Subject to 13.3 below, no Contract, the estimated value of which exceeds £50,000 (or below £50,000 if formal tendering is chosen to be undertaken), shall be made unless:
- (a) at least 21 days' public notice has been given, stating the nature and purpose of the Contract, inviting tenders, providing web links to electronic versions of all contract documents and stating the last date when tenders will be received, on:
    - the council's website and optionally a local newspaper and such trade journals as the relevant Head of Service shall consider desirable; and
    - the Crown Commercial Service website Contracts Finder. In the case of those contracts with an estimated value in excess of the Public Procurement Rules (OJEU) threshold, the opportunity must not be published on Contracts Finder until it has first been notified as published in the Official Journal; or
  - (b) the proposed Contract, being a Contract for the execution of works, forms part of a serial programme of works, the terms of which having been previously settled with the Contractor on the basis of the application of a stated addition or deduction to the rates and prices contained in an initial Contract. Such a contract must have previously been awarded competitively following an invitation to tender in accordance with the provisions of (a) above. Such additions or deductions to the rates and prices are subject to a maximum extension under this Rule not exceeding 100% of the original Contract value or £50,000, whichever is the lower. Due consideration must be given to the potential of breaching any EU thresholds.

## CPR13: Tender Invitation

- 13.1 When tenders are invited following public advertisement and hard copy Contract documents are requested, these **must** be sent within five working days of the request being made, provided any specified fee, where applicable, has been paid.
- 13.2 Documents for **all** tender opportunities **must** be made available on the Council's website under the procurement webpages. This will include as a minimum the Invitation to Tender (ITT) document and any separate tender specification.
- 13.3 When tenders are invited for an OJEU Contract, the timescale given to providers to return tenders will be in accordance with the timescales as determined by the EU Public Contracts Directive. Appendix 1 sets out the current timescales.
- 13.4 Reasonable requests for further information relating to the Contract documents will be granted provided the request enables the Council to supply the information not less than six days (or four days in cases of emergency) before the date specified for receipt of completed tenders. Any responses given must be circulated to all [known](#) potential Providers [and also published alongside the Contract documents on the council website](#).
- 13.5 Where a potential Provider considers that an enquiry or response will relate to commercially confidential information relevant only to itself and that it should not be circulated to other Participants, it must specify so together with reasons.
- 13.6 If the relevant Head of Service, together with the Head of Legal and Democratic Services and Head of Financial Services consider that, in the interests of a fair and open competition, it cannot respond to an enquiry on a confidential basis, the relevant Head of Service will notify the potential Provider and treat the enquiry as withdrawn. It will then be for the potential Provider to resubmit the enquiry without the requirement for confidentiality if it requires an answer.
- 13.7 If the relevant Head of Service, together with the Head of Legal and Democratic Services and Head of Financial Services consider that the request for a confidential response is justified, then the relevant Head of Service will provide a response which is not circulated to other potential Providers.
- 13.8 Every invitation to tender will state that a tender will only be considered if it is:
- (a) addressed to Ribble Valley Borough Council, marked for the attention of the Head of Legal and Democratic Services, Council Offices, Church Walk, Clitheroe BB7 2RA in a plain sealed envelope or package which shall bear the word "**TENDER**" followed by the subject to which it relates, **but shall not bear any name or mark indicating the sender**;

- (b) accompanied by an undertaking which shall become a condition of the Contract that the amount of the tender has not been calculated by agreement or arrangement with any person other than the Council and that the amount of the tender has not been communicated to any person other than the Council (by way of submission of tender documentation) and will not be communicated to any person until after the closing date for the submission of tenders (except for the purposes of obtaining any bond/surety where this is a requirement of the proposed Contract).

13.9 Tenders submitted by facsimile or electronic transmission will **not** be considered.

13.10 [At the point of inviting tenders, the Head of Legal and Democratic Services must be informed of the closing date and time for receipt of tenders in order that necessary arrangements can be put in place for the opening of any tenders received \(CPR14 and CPR15\).](#)

## CPR14: Receipt of Tenders

- 14.1 Envelopes and packages received in accordance with the provision of CPR 13 shall immediately on receipt be consecutively numbered and be placed in the custody of the Head of Legal and Democratic Services until the time appointed for the opening.
- 14.2 Any officer receiving tenders shall indicate on the envelope or package the date and time of its receipt by them.
- 14.3 Any tender received after the date and time indicated for the receipt of tenders shall not be considered unless in the opinion of the Director of Resources there is clear evidence that the tender was posted through the main council office's letter box or hand delivered at the main council offices before the date for receipt of tenders in which case the relevant Head of Service shall have discretion to admit the tender to opening and consideration. Subject to this exception tenders which are received late shall be retained **unopened** by the Head of Legal and Democratic Services until after the result of the tendering process has been published to tenderers.

## CPR 15: Opening of Tenders

- 15.1 All tenders with an estimated value in excess of £50,000 will be opened by the Head of Legal and Democratic Services or their nominated representative in the presence of the appropriate Committee Chairman or in their absence the Vice Chairman.
- 15.2 All tenders will be opened at the same time and place and shall be immediately signed and dated by the Officers required to be present in accordance with CPR 15.1 above.
- 15.3 The Head of Legal and Democratic Services or their nominated representative will, at the time the tenders are opened, record in the tender register;
- (a) the nature of the goods or materials to be supplied or the work to be executed;
  - (b) the name of each Provider by or on whose behalf a tender was submitted together with the consecutive number endorsed on the tender envelope;
  - (c) the amount of each tender;
  - (d) the date and time of the opening of the tender;
  - (e) the names of the persons present at the opening of the tenders.
- 15.4 The relevant Head of Service will keep securely all tenders with the envelopes received, with a copy being provided to the Head of Financial Services. From the date of the award of the Contract, such records must be retained for a period of no less than 6 years for the successful Provider and 1 year for any unsuccessful Providers, or such longer period as may be required by domestic or EU legislation.

## CPR16: Errors or Discrepancies in Tenders etc.

- 16.1 Where examination of tenders reveals arithmetical or copying errors present in the documents submitted at the time of tender these shall be corrected by the Responsible Officer and details shall be recorded and maintained on the appropriate Contract file. If the correction has the effect that the tender is no longer the most competitive tender then the next tender in competitive order is to be examined and dealt with in the same way.
- 16.2 Where examination of tenders or checking of a priced bill or specification submitted at the Council's request after tenders have been opened reveals errors or discrepancies (other than arithmetical errors in documents submitted at the time of tender as in CPR 16.1 above) which would affect the total tender figure(s) in an otherwise successful tender, the Provider is to be given details of such errors and discrepancies but no other information and afforded an opportunity of confirming or withdrawing their tender in writing. If the tenderer confirms their total tender figure, then all the rates and prices on which the total tender price was based shall be adjusted (upwards or downwards) by the same percentage so as to correspond with the total tender figure (corrected in accordance with CPR 16.1 above if there was also an error or discrepancy requiring to be dealt with under that CPR).
- 16.3 If the Provider withdraws, the next tender in competitive order is to be examined and dealt with in the same way. Any exception to the procedure outlined above may be authorised only by the appropriate Service Committee after consideration of a report from the Head of Service concerned.

## CPR17: Contract Negotiations

- 17.1 Negotiations following the receipt of a Tender shall not apply to any Contract that is governed by EU procurement directives, unless expressly allowed under the EU Procurement Regulations.
- 17.2 The Responsible Officer may negotiate the contract in the manner set out in CPR 17.3 below, subject to approval by the Director of Resources, and provided the terms of the contract remain substantially unaltered. This can only be undertaken where:
- (a) tendering produced no tenders, or inappropriate tenders, for example where the tender figure in an otherwise successful tender exceeds approved or budgeted expenditure, or where the approved or budgeted expenditure has changed since tenders were invited, or
  - (b) tendering was discontinued because of irregular tenders, for example because tenders fail to meet the requirements specified in the Contract documents or offer variations on them or the works, supplies or goods fail to meet the tender specification.
- 17.3 The Responsible Officer shall invite all Providers to amend their tenders, in writing, in such matters (e.g. unit price, delivery, discounts or by removing elements of the specification or bill of quantities) as the Responsible Officer specifies. All negotiations shall be conducted by at least two officers, **one of whom should not be otherwise involved in the contract evaluation or award**. The Responsible Officer shall keep a written record of all negotiations, including notes of all meetings and the names of those people present.
- 17.4 Clarifications of ambiguous Tenders does not constitute post tender negotiations.
- 17.5 At the conclusion of the post tender negotiation process, those Providers invited to negotiate will be formally invited to submit a best and final offer under the same procedure as for the receipt and opening of original Tenders or quotations.

## CPR18: Acceptance of Tenders

- 18.1 A tender **other than** that which meets the most economically advantageous tender (MEAT) criteria shall not be accepted until the Council or relevant Service Committee have considered and approved a written report from the relevant Head of Service. The MEAT criteria includes the 'Best Price-Quality Ratio' which means price or cost plus other criteria and equates to value for money. The use of Life Cycle Costing must also be ensured in the evaluation of Tenders. The evaluation of such costs must involve the assistance of the Council's Finance Section.
- 18.2 No Contract may be awarded unless the expenditure involved has been included in approved estimates or in capital or revenue accounts or has been otherwise approved by or on behalf of the Council.
- 18.3 The only exception permitted under this Procedure Rule is where works/supplies/services are ordered on grounds of extreme urgency (e.g. responding to a civil emergency). The Responsible Officer should consult with the Director of Resources and appraise them of the position, so that as soon as practicable arrangements can be made to report the matter to Council or the relevant Service Committee.
- 18.4 No contract with a quoted value in excess of £50,000 shall be awarded until the Director of Resources has checked the Provider's financial standing and provided written confirmation that this is satisfactory for the Contract to be undertaken.
- 18.5 The Responsible Officer shall work with the Procurement Assistant to ensure compliance with OJEU requirements for the publication of Contract Award Notices and provide copies of the Notice(s) to the Head of Legal and Democratic Services and the Director of Resources.
- 18.6 Details of all Contract awards shall be forwarded to the Procurement Assistant for inclusion in the Council's Contracts Register as soon as possible after the award and prior to works commencing. Such notification must also include evidence of the authority to enter into the Contract.

## CPR19: Nominated Sub-Contractors and Suppliers

- 19.1 Contract Procedure Rules apply to the nomination of a sub-contractor or nomination of a supplier for carrying out works or services or supplying goods or materials as part of a larger contract. This would generally be due to the specialist nature of the works, goods or services required.
- 19.2 Where the estimated amount of the sub-contracted work to be undertaken by the nominated sub-contractor, or the estimated value of the goods to be supplied by the nominated supplier does not exceed £50,000 then unless in the opinion of the responsible Director there could be grounds for exemption (in which case CPR5 must be followed in full), competitive written quotations shall be sought in accordance with CPR 6.3.
- 19.3 Where the estimated amount of the sub-contracted work to be undertaken by the nominated sub-contractor, or the estimated value of the goods to be supplied by the nominated supplier exceeds £50,000 then unless in the opinion of the responsible Director there could be grounds for exemption (in which case CPR5 must be followed in full), tenders shall be invited in accordance with CPR 12.
- | 19.4 Any exemption from these [Contract](#) Procedure Rule requirements must comply with CPR 5.

## CPR20: Form of Contract

- 20.1 Every Contract exceeding £50,000 in value, or below £50,000 where a formal tendering process has been undertaken and in any other case where the Head of Legal and Democratic Services so decides, shall either be documented using an approved Standard Form of Contract or be in writing in a form approved by the Head of Legal and Democratic Services and shall specify:
- (a) the works or services to be performed and/or the goods or materials to be supplied;
  - (b) the parties to the contract including any guarantor;
  - (c) the price to be paid with a statement of discounts or other appropriate adjustments;
  - (d) the time within which the Contract is to be performed or carried out;
  - (e) that the Provider will not assign the Contract without the written consent of the Council;
  - (f) any appropriate restriction on sub-contracting by the Provider;
  - (g) where appropriate that the Provider will pay liquidated damages or other damages to the Council should the terms of the Contract not be properly carried out, including the method by which such damages will be calculated and the circumstances in which they will be payable;
  - (h) any performance bond or parent company guarantee required and the Responsible Officer shall consult with the Director of Resources and Head of Legal and Democratic Services before including or excluding such a requirement in the tender documents;
  - (i) that the Provider will adopt safe methods of work and comply with all other requirements of the Health and Safety at Work Act 1974;
  - (j) that the Council may cancel the Contract and recover any loss if the Provider, its employees, agents and sub-providers offer any reward relating to the Contract or commit any offence under the Prevention of Corruption Acts 1889 to 1916 or have given any fee or reward the receipt of which is an offence under section 117(2) of the Local Government Act 1972;
  - (k) that the Provider shall comply with UK Data Protection legislation and indemnify the Council in respect of the use, disclosure or transfer of personal data by the Provider, its employees, agents and sub-Providers;

- (l) that the Provider shall not unlawfully discriminate within the meaning of the Equality Act 2010 or any comparable statutory provision relating to discrimination in employment, and shall ensure that all employees, agents and sub-contractors do not unlawfully discriminate, and shall comply with all relevant codes of practice issued by the Equality and Human Rights Commission, or comparable body and, so far as is practicable, operate an equal opportunities policy which complies with the practical guidance and recommendations contained in such codes of practice;
- (m) that the Provider will indemnify the Council against:
  - any claim which may be made in respect of employers' liability against the Council or the Provider by any worker employed by the Provider or any sub-contractor in the execution of the work or in the provision of goods and services;
  - any claim for bodily injury to, or damage to property of, third parties;
  - any claim which may be made under the Health and Safety at Work etc Act 1974 against the Council or the Provider unless such claim is substantially due to the neglect of the Council or any of its Officers;
- (n) that in respect of (m) above, the Provider will be required to produce satisfactory evidence that they are insured against such claims;
- (o) that Providers shall hold the Council's interests paramount and strictly avoid conflict with other work or their own corporate interests;
- (p) the dispute resolution process to be followed in the event of any dispute;
- (q) the amount of notice period to be recognised by both parties in the event of a change to, or termination of, the Contract;
- (r) the recovery mechanism to be followed should any sum of money become recoverable from or payable by the Provider;
- (s) the requirements of the Freedom of Information Act and the Local Authorities Data Transparency Code;
- (t) that they must comply with the ~~requirements of the~~ supply chain requirements under the Modern Slavery Act 2015;
- (u) that the Provider must comply with the principles of the Prevent Duty.

## CPR21: Execution of Contracts

- 21.1 Contracts with a value of less than £50,000 may be signed by the relevant Director.
- 21.2 Every Contract which exceeds £50,000 in value shall either be signed for and on behalf of the Council by the Chief Executive or Director of Resources or be executed as a deed.
- 21.3 A copy of such signed Contracts or Deeds must be retained by the legal section.

## CPR22: Contract Variation After Award

22.1 Where, after contract award, by reason of any extra or variation (other than a Contract extension under CPR 12.1(b)) it is apparent that:

- (a) the tender sum is to be exceeded by 10 per cent; or
- (b) a timeframe variation would extend the Contract period by more than three months or by 50 per cent of the original Contract period; or
- (c) if the works, services or goods to be added or deleted from the Contract are substantially different in scope

the relevant Head of Service shall report in writing the same immediately to the Director of Resources and Head of Legal and Democratic Services.

22.2 Should further variations as set out in CPR 22.1 above arise after the Head of Service's initial report, these further variations shall also be reported as set out in CPR 22.1 above.

22.3 Details of all variations shall be recorded in the contract file and shall be reported to the appropriate Service Committee on a regular basis, and also as part of the regular monitoring/budgetary control process ensuring compliance with Financial Regulations.

22.4 In the case of any contracts covered under the EU Regulations, where the Contract Value increases by 50% or more from that at the point of Contract Award, then the tender opportunity must be re-advertised. The reporting requirements at 22.1 to 22.3 above must also be followed.

# ANNEX 1: EU Procurement Directives – Thresholds and Procedures

**FOR INFORMATION ONLY  
NOT FORMING PART OF THE COUNCIL'S ADOPTED CONTRACT PROCEDURE  
RULES**

**Any procurements that encompass these regulations must ensure involvement of the Head of Financial Services and Head of Legal and Democratic Services**

## Purpose

The purpose of the EU procurement rules, underpinned by the Treaty principles, is to open up the public procurement market and to ensure the free movement of supplies, services and works within the EU. In most cases they require competition. The EU rules reflect and reinforce the value for money focus of the Government's procurement policy. This requires that all public procurement must be based on value for money, defined as 'the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought', which should be achieved through competition, unless there are compelling reasons to the contrary.

## Current Thresholds (January 2018)

	<b>Value over the full anticipated lifetime of supply £</b>
Supplies and Services	181,302
Light touch regime services (Previously 'Part B' services)	615,278
Works	4,551,413
PIN	615,278
Small lots (Services)	65,630
Small lots (works)	820,370
Utilities (Works)	4,551,413

The value of a contract is the expected amount of consideration (in money or money's worth) that will be received by the person or organisation that carries out the works or provides the services or supplies, **over the full anticipated lifetime of supply**.

## Procurement Routes and Time Limits

### *Open Procedure*

This procedure is generally used where the expected number of responses is likely to be manageable. Any organisation expressing an interest in an advertised opportunity is invited to tender and is directed to the online tender pack. This must be completed fully and returned with any requested supporting information by a specified date and time. A panel of officers evaluate responses against pre-set criteria and the highest scoring tenderer is awarded the contract.

<b>Normal Minimum Time Limit</b>	<b>If Urgent</b>	<b>Where Prior Information Notice Published</b>	<b>Normal Minimum Time Limit for Local Government</b>
Minimum time limit for receipt of tenders 35 days	Minimum time limit for receipt of tenders 15 days	Minimum time limit for receipt of tenders 15 days	-

### *Restricted Procedure*

This procedure is generally used if a high level of interest is anticipated. This procedure requires organisations who express an interest to undergo an initial pre-qualification assessment to appraise such things as their economic and financial standing, capability and capacity and compliance with Health and Safety and Equal Opportunities. Normally organisations are sent a pre-qualification questionnaire which must be completed fully and returned by a specified date and time. A panel of officers evaluate responses against pre-set criteria and the most suitable applicants are then invited to tender.

<b>Normal Minimum Time Limit</b>	<b>If Urgent</b>	<b>Where Prior Information Notice Published</b>	<b>Normal Minimum Time Limit for Local Government</b>
Minimum time limit for requests to participate 30 days	Minimum time limit for requests to participate 15 days	Minimum time limit for requests to participate 30 days	Minimum time limit for requests to participate 30 days
Minimum time limit for tenders 30 days	Minimum time limit for tenders 10 days	Minimum time limit for tenders 10 days	Minimum time limit for tenders to be set by agreement with tenderers. In absence of agreement minimum time limit 10 days

**Competitive Procedure with Negotiation**

Under the Competitive Procedure with Negotiation, any Supplier may request to participate in the exercise. The council makes an initial evaluation of the candidates based upon the grounds of exclusion and the selection criteria published in the contract notice. It may limit the number of suitable candidates to be invited to participate in the procedure. The council then invites its chosen Suppliers to submit an initial tender.

The council will negotiate with tenderers the initial and all subsequent tenders submitted, except for the final tender, to improve their content. The minimum requirements and the award criteria are not subject to negotiation.

<b>Normal Minimum Time Limit</b>	<b>If Urgent</b>	<b>Where Prior Information Notice Published</b>	<b>Normal Minimum Time Limit for Local Government</b>
Minimum time limit for requests to participate 30 days	Minimum time limit for requests to participate 15 days	Minimum time limit for requests to participate 30 days	Minimum time limit for requests to participate 30 days
Minimum time limit for initial tenders 30 days	Minimum time limit for tenders 10 days	Minimum time limit for tenders 10 days	Minimum time limit for tenders to be set by agreement with tenderers. In absence of agreement minimum time limit 10 days

**Competitive Dialogue**

This is an option that allows for bidders to develop alternative proposals in response to the council’s outline requirements. Only when their proposals are developed to sufficient detail are tenderers invited to submit competitive bids. The aims are to increase value by encouraging innovation and to maintain competitive pressure in bidding for complex contracts.

<b>Normal Minimum Time Limit</b>	<b>If Urgent</b>	<b>Where Prior Information Notice Published</b>	<b>Normal Minimum Time Limit for Local Government</b>
Minimum time limit for requests to participate 30 days	-	-	-
No time limits for submission of initial/subsequent tenders	-	-	-

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY & FINANCE COMMITTEE

INFORMATION

Agenda Item No 11

meeting date: 22 JANUARY 2019  
title: TREASURY MANAGEMENT MONITORING  
submitted by: DIRECTOR OF RESOURCES  
principal author: VALERIE TAYLOR

### 1 PURPOSE

1.1 To provide you with a monitoring report on our treasury management activities for period 1 April 2018 to 31 December 2018.

1.2 Relevance to the Council's ambitions and priorities:

- In accordance with the corporate strategy priority -“to ensure a well-managed Council, by maintaining critical financial management and controls.” This report provides members with information regarding the treasury management activities for the period.

1.3 You have previously approved a treasury management policy in accordance with CIPFA's code of practice on treasury management for Local Authorities.

1.4 In accordance with this policy committee should receive a quarterly monitoring report on the Council's treasury management operations.

### 2 BACKGROUND

2.1 Events in recent years have raised the profile of the treasury management function and highlighted the potential serious risks involved.

2.2 The Council borrows any money it requires to fund its capital spending plans from the Public Works Loan Board. They make funds available for long loan periods at interest rates just below market rates and lend to Government and Public bodies. The Council rarely borrows to fund its revenue activities and is much more likely at any point in time to have surplus funds to invest.

2.3 On a daily basis we assess our cash flow position. To do this we estimate the funds we expect to receive e.g. council tax payments, grants and fees, and deduct any known payments we expect to make e.g. precepts, creditors and salaries.

2.4 On most days the Council is in a position where it has surplus funds available to invest.

2.5 How we invest these surplus funds is governed by the Council's Treasury Management policies and practices agreed and reported to Policy and Finance Committee and ultimately Full Council.

2.6 The main points being:

- The Council maintains a list of organisations it will lend its surplus funds to, which is regularly reviewed. The current list is shown in section 8 of this report.

- The Council has maximum limits for each bank or building society of £1.75m. The limit for the Debt Management Office (DMO), where the Government guarantees investments, is currently £5m and the limit for other Local Authorities, Police and Crime Commissioners, Fire and Rescue Services and Transport Authorities is £2.5m per institution
- The safety of our investments is paramount and not the requirement to maximise returns.
- Our policy has been to only lend to major British Banks and Building Societies relying on the assumption that the Government would be unlikely to allow a major bank/building society to fail.

### 3 PUBLIC WORKS LOAN BOARD

- 3.1 Bank base interest rates increased from 0.50% to 0.75% on 2 August 2018.
- 3.2 Any changes in interest rates only affect interest received on our temporary investments as interest payable on the Council's long-term loan debt from Public Works Loan Board (PWLB), all at fixed interest rates.
- 3.3 From 1 November 2012, the Government reduced by 20 basis points (0.20%) the interest rates on loans from PWLB. The reduction was to be applicable for those councils that provide an annual return providing 'improved information and transparency' on 'borrowing and associated capital spending plans'. This will enable the government to build a more robust forecast of public expenditure.
- 3.4 A return has been submitted for Ribble Valley Borough Council and we are now listed as an eligible council for the certainty discount rate on the PWLB website.
- 3.5 There are two types of loan according to interest rate that are available from the board:
- Fixed rate loans, on which the rate of interest is fixed for the life of the loan and interest is payable at half-yearly intervals;
  - Variable rate loans, on which the rate of interest is variable at one, three or six monthly intervals. The interval is at the choice of the borrower but once chosen remains the same for the life of the loan.
- 3.6 For each of the two types of loan according to interest rates, there are three types of loans by method of repayment or amortisation
- Annuity or Equal Repayments (ER): fixed half-yearly payment to include principal and interest; or
  - Equal instalments of Principal (EIP): equal half-yearly instalments of principal together with interest on the balance outstanding at the time; or
  - Maturity: half yearly payments of interest only with a single repayment of principal at the end of the term.
- 3.7 As mentioned in paragraph 3.2 all our PWLB debt is at fixed interest rates.

#### 4 BORROWING REQUIREMENTS

- 4.1 There has been no movement on the Council's external borrowing during the period as the instalments are only paid at the end of September and March. The external debt can be summarised as follows.

	PWLB £000	Other £000	Total £000
External Debt at 1 April 2018	147	7	154
Transactions - New Loans	0	0	0
- Repayments	-5	0	- 5
<b>External debt at 31 December 2018</b>	<b>142</b>	<b>7</b>	<b>149</b>

- 4.2 No temporary loans were taken out in the period April to December 2018, or in the same period in 2017.
- 4.3 The half yearly instalment of interest due on the council's external debt was £3,580 and was paid at the end of September 2018.

#### 5 TEMPORARY INVESTMENTS

- 5.1 In accordance with the treasury management policy, surplus funds are temporarily invested via the money market at the best rate of interest available with the minimisation of risk to the capital sum.
- 5.2 The movement in the Council's external investments are shown in Annex 1 and can be summarised as follows:

	Banks/Building Societies £000	Other Local Authorities £000	Total £000
Monies Invested at 1 April 2018	3,115	6,800	9,915
Transactions - New Investments	65,668	15,350	81,018
- Repayment Investments	-61,053	-14,650	-75,703
<b>Monies Invested as at 31 December 2018</b>	<b>7,730</b>	<b>7,500</b>	<b>15,230</b>

- 5.3 The following investments were held as at 31 December 2018.

Date Invested	Nos	Borrower	Notice	Rate %	£'000	£'000
25-Oct-18	138	Bank of Scotland	Fixed 05 Feb 19	0.91%	1,250	
18-Oct-18	232	Bank of Scotland	Fixed 21 Jan 19	0.90%	365	
						<b>1,615</b>
29-Oct-18	142	Barclays Bank	Fixed 15 Jan 19	0.63%	300	
15-Nov-18	152	Barclays Bank	Fixed 18 Feb 19	0.75%	760	
						<b>1,060</b>

Date Invested	Nos	Borrower	Notice	Rate %	£'000	£'000
30-Nov-18	161	Central Bedfordshire	Fixed 19 Feb 19	0.70%	2,500	
						<b>2,500</b>
24-Dec-18	150	Coventry	Fixed 15 Mar 19	0.72%	280	
						<b>280</b>
30-Nov-18	156	Dumfries Council	Fixed 18 Feb 19	0.72%	2,500	
						<b>2,500</b>
19-Dec-18	176	HSBC Bank plc	Fixed 02 Jan 19	0.60%	160	
28-Dec-18	177	HSBC Bank plc	Fixed 02 Jan 19	0.60%	450	
20-Dec-18	178	HSBC Bank plc	Fixed 02 Jan 19	0.60%	115	
						<b>725</b>
31-Jul-18	88	Leeds	Fixed 31 Jan 19	0.68%	1,750	
						<b>1,750</b>
24-Dec-18	97	Lloyds Bank Plc	Fixed 15 Mar 19	0.81%	770	
31-Dec-18	164	Lloyds Bank plc	Fixed 15 Mar 19	0.85%	330	
						<b>1,100</b>
31-Oct-18	124	Plymouth City Council	Fixed 05 Feb 19	0.80%	2,500	
						<b>2,500</b>
30-Oct-18	143	Yorkshire	Fixed 21 Jan 19	0.76%	1,200	
						<b>1,200</b>
<b>Total Investments as at 31 December 2018</b>					<b>15,230</b>	<b>15,230</b>

5.4 The total interest received on the Council's external investments during the period was £51,260 compared with £14,718 in the previous year.

## 6 PRUDENTIAL INDICATORS

6.1 The Prudential Code for Capital Finance in Local Authorities (the Code) initially came into effect from 1 April 2004. It regulates the Council's ability to undertake new capital investment.

6.2 It was revised to take account of the implications of the implementation of the International Financial Reporting Standard (IFRS).

6.3 In accordance with this Code the Council agreed to monitor four prudential indicators as follows. This committee approved these in March 2018.

- Upper limits on variable rate exposure. This indicator identifies a maximum limit for variable interest rates based upon the debt provision net of investments.
- Upper limits on fixed rate exposure. Similar to the previous indicators, this covers a maximum limit on fixed interest rates
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.
- Total principal funds invested for a period longer than 364 days. These limits are set to reduce the need for early sale of an investment and are based on the availability of investments after each year-end

6.4 The limits set on interest rate exposures for 2018/19 were as follows:

	<b>Upper Limit £000</b>	<b>Current Actual £000</b>
Maximum Principal Sums Borrowed >364 days	7,506	149
Limits on Fixed Interest Rates	7,506	149
Limits on Variable Interest Rates	1,501	0

6.5 The upper and lower limits for the maturity structure of its borrowings for 2018/19 were as follows:

	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Current Actual</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Under 12 months	20	0	7
12 Months and Within 24 Months	20	0	7
24 Months and Within 5 Years	30	0	21
5 Years and Within 10 Years	40	0	34
10 Years and Above	90	0	31

- 6.6 The total principal funds invested for a period longer than 364 days was set at nil. This indicator is in place to ensure that the council is aware of the cash-flow implications of investing for periods of longer than 364 days. In lending surplus funds, the council must ensure that it can't be put in a position where it would be forced to realise any of its investments before their maturity. If this were to be the case, the council could find itself with a financial loss.
- 6.7 No investments (excluding our shareholding in the Local Government Bonds Agency (Local Capital Finance Company Ltd) have been made in the period for longer than 364 days.
- 6.8 In 2017 the Prudential Code was changed to reflect developments since it was updated in 2011. It plays a key role in capital finance in local authorities that are central to the delivery of public services.

## 7 LOCAL GOVERNMENT BONDS AGENCY

- 7.1 The Local Government Bonds Agency is a freestanding independent body owned by the local government sector that will raise money efficiently on the capital markets at regular intervals to on-lend to participating local authorities.
- 7.2 Participating authorities are those local authorities that have invested in the setting up of the Agency or have invested risk capital to capitalise the Agency and fund it through its early years of operations. The agency has been incorporated with the name Local Capital Finance Ltd.
- 7.3 The Agency will offer a viable alternative source of capital funding to councils, other than the Public Works Loans Board (PWLB). Historically we have used the PWLB for our long term borrowing. The Local Government Bonds Agency will be able to offer loans at better or at least equivalent rates to the PWLB and tailor packages to meet the particular needs of participating authorities.
- 7.4 Ribble Valley Borough Council has invested £10,000 in the agency. The Agency is owned by those local authorities that invested in its establishment and those that invest in its capitalisation during its first ten years of operations. Such authorities will become shareholders in the Agency and therefore we, as other authorities, will have our say in the way it is run.
- 7.5 The contribution that we have invested will be returned to us after 10 years of successful operations of the agency, together with interest which will be earned at commercial rates.

## 8 APPROVED ORGANISATIONS

- 8.1 Principally, Fitch credit ratings are used as an indication of the probability of organisations defaulting on our investments and are defined in Annex 2. They only show an indication of the current credit position. They are being monitored on a regular basis and any significant changes will be reported to this committee. In addition, we monitor and consider the ratings given by rating agents S&P Global Ratings (previously Standard and Poor), and Moody's together with the Fitch ratings prior to investing any monies on a day-to-day basis. The full list of ratings for our approved institutions is shown at Annex 3, and is a snapshot as at 31 December 2018.
- 8.2 It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets. However West Bromwich and Newcastle Building Societies have had their Fitch Rating withdrawn so have been removed from the approved list, leaving the top 6 building societies based on their total assets.

Name	Fitch Rating		
	Full Transaction Review Date	Long Term	Short Term
Nationwide	14/12/18	A	F1
Yorkshire	24/04/18	A-	F1
Coventry	24/04/18	A	F1
Skipton	24/04/18	A-	F1
Leeds	24/04/18	A-	F1
Principality	24/04/18	BBB+	F2

- 8.3 The banks we use are reviewed annually as part of the Treasury Management Practices to take into account their Fitch IBCA long-term and short-term credit rating. The current ratings are as follows:

Name	Fitch's Full Transaction Review Date	Long Term	Short Term
Santander UK Plc	14/12/18	A	F1
Barclays Bank Plc	20/12/18	A+	F1
Bank of Scotland Plc	14/12/18	A+	F1
Co-operative Bank (The)	23/08/18	B	B
HSBC Bank Plc	02/07/18	AA-	F1+
Lloyds Bank Plc	14/12/18	A+	F1
National Westminster Bank Plc*	14/12/18	A+	F1
Royal Bank of Scotland Plc (The)*	14/12/18	A	F1

\* Changed since last reported

- 8.4 In addition to the building societies and banks we use for investments, also approved for use are other Local Authorities and the United Kingdom Debt Management Office, where the Government guarantees investments.

## 9 RECENT EVENTS

- 9.1 The Bank of England has cut its UK growth forecast and warned that a lack of clarity around Brexit is hitting the economy.
- 9.2 The Bank of England last raised interest rates in August to 0.75%, but economists are predicting that if there is a Brexit deal, the bank is likely to increase rates, perhaps in May to 1%. Some economists are predicting numerous increases, perhaps three during 2019 and two during 2020.
- 9.3 Brexit continues to be an area of high uncertainty, and so any **firm** impact on interest rates in the short to medium term is still unclear.

## 10 EXPOSURE TO RISK

- 10.1 With the risks surrounding the UK's exit from the UK, it is imperative that we continue to protect the council's principal sums invested in order to minimise its exposure to risks.
- 10.2 To ensure our exposure is limited as far as possible, we have continued with the following measures:
- Daily early morning meetings to discuss the latest position:
    - Lending arrangements
    - A review of the Markets
    - A review of our current investments and whether we consider they are still safe.
    - Institution Ratings
  - Authorisation prior to investments with either the Director of Resources or the Head of Financial Services
  - Keep Leader/Chief Executive informed
  - Look to arrange new secure options for investments.

11 CONCLUSION

- 11.1 It is essential to minimise the risk to the principal sums that are invested. Through the careful investment of sums in line with the council's strategy the level of risk in our investments has been kept to a minimum.
- 11.2 Due to the continued uncertainty in the global economy, a prudent approach continues to be followed in the investment of any surplus cash balances on a day to day basis.

TEMPORARY SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF7-19/VT/AC  
9 January 2019

For further information please ask for Val Taylor

**POLICY AND FINANCE COMMITTEE  
TEMPORARY INVESTMENT ACTIVITY – 2018/19**

**ANNEX 1**

<b>Date Invested</b>	<b>Temporary Investment Number</b>	<b>Borrower</b>	<b>Amount Invested £</b>	<b>Interest rate %</b>	<b>Date Repaid</b>	<b>Principal Repaid £</b>	<b>Interest Received or Due £</b>	<b>Fitch Long Term Rating</b>	<b>Fitch Short Term Rating</b>
<b>Investments Brought Forward at 1 April 2018</b>									
16-Mar-18	196	Coventry BS	Rolled Over	0.35%	16-Apr-18		-148.63	A	F1
16-Apr-18	196	Coventry BS	Rolled Over	0.29%	25-Apr-18		-35.75	A	F1
25-Apr-18	196	Coventry BS	500,000	0.45%	15-Jun-18	-500,000	-314.38	A	F1
					Debtor		76.71		
31-Jan-18	213	Thurrock Council	1,500,000	0.38%	03-Apr-18	-1,500,000	-968.22		
					Debtor		936.99		
15-Feb-18	224	Bank Of Scotland	Rolled Over	0.42%	23-Apr-18		-555.09	A+	F1
23-Apr-18	224	Bank Of Scotland	Rolled Over	0.41%	21-May-18		-226.45	A+	F1
21-May-18	224	Bank Of Scotland	Rolled Over	0.37%	19-Jun-18		-211.66	A+	F1
19-Jun-18	224	Bank Of Scotland	Rolled Over	0.37%	19-Jul-18		-218.96	A+	F1
19-Jul-18	224	Bank Of Scotland	Rolled Over	0.40%	06-Aug-18		-142.03	A+	F1
06-Aug-18	224	Bank Of Scotland	Rolled Over	0.61%	03-Sep-18		-336.92	A+	F1
03-Sep-18	224	Bank Of Scotland	Rolled Over	0.60%	13-Sep-18		-118.36	A+	F1
13-Sep-18	224	Bank Of Scotland	720000	0.62%	18-Oct-18	-720000	-428.05	A+	F1
					Debtor		372.82		
28-Feb-18	228	Wirral Council	1,800,000	0.50%	23-Apr-18	-1,800,000	-1331.51		
					Debtor		789.04		

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
08-Mar-18	232	Bank Of Scotland	Rolled Over	0.37%	09-Apr-18		-118.40	A+	F1
09-Apr-18	232	Bank Of Scotland	Rolled Over	0.41%	15-May-18		-147.60	A+	F1
15-May-18	232	Bank Of Scotland	Rolled Over	0.38%	19-Jun-18		-133.00	A+	F1
19-Jun-18	232	Bank Of Scotland	Rolled Over	0.36%	13-Jul-18		-86.40	A+	F1
13-Jul-18	232	Bank Of Scotland	Rolled Over	0.39%	06-Aug-18		-93.60	A+	F1
06-Aug-18	232	Bank Of Scotland	Rolled Over	0.62%	14-Sep-18		-241.80	A+	F1
14-Sep-18	232	Bank Of Scotland	Rolled Over	0.62%	18/10/2018		-210.80	A+	F1
18-Oct-18	232	Bank Of Scotland	365,000	0.90%	Still invested		-666.00	A+	F1
					Debtor		88.80		
15-Mar-18	235	Eastleigh BC	1,500,000	0.80%	23-Apr-18	-1,500,000	-1282.19		
					Debtor		558.90		
15-Mar-18	236	HSBC Bank plc	380,000	0.35%	09-Apr-18	-380,000	-91.10	AA-	F1+
					Debtor		61.95		
16-Mar-18	237	HSBC Bank plc	300,000	0.35%	13-Apr-18	-300,000	-80.55	AA-	F1+
					Debtor		46.03		
19-Mar-18	238	HSBC Bank plc	250,000	0.35%	16-Apr-18	-250,000	-67.12	AA-	F1+
					Debtor		31.16		

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
26-Mar-18	240	Suffolk CC	2,000,000	0.80%	30-May-18	-2,000,000	-2849.32		
					Debtor		263.01		
29-Mar-18	245	HSBC Bank plc	100,000	0.35%	13-Apr-18	-100,000	-14.38	AA-	F1+
					Debtor		2.88		
29-Mar-18	246	HSBC Bank plc	100,000	0.36%	20-Apr-18	-100,000	-21.70	AA-	F1+
					Debtor		2.96		
29-Mar-18	247	Coventry BS	Rolled Over	0.31%	23-Apr-18		-84.93	A	F1
23-Apr-18	247	Coventry BS	400,000	0.39%	30-May-18	-400,000	-158.14	A	F1
					Debtor		10.19		
<b>Monies Invested at 1 April 2018</b>			<b>9,915,000</b>			<b>-9,550,000</b>	<b>-8141.60</b>		
<b>Investments made April to December 2018</b>									
03-Apr-18	1	DMO	1,500,000	0.25%	09-Apr-18	-1,500,000	-61.64	AAA	
03-Apr-18	2	HSBC Bank plc	200,000	0.35%	09-Apr-18	-200,000	-11.51	AA-	F1+
05-Apr-18	3	Coventry BS	Rolled Over	0.28%	11-Apr-18		-22.09	A	F1
11-Apr-18	3	Coventry BS	Rolled Over	0.30%	23-Apr-18		-47.34	A	F1
23-Apr-18	3	Coventry BS	480,000	0.34%	21-May-18	-480,000	-125.19	A	F1
06-Apr-18	4	HSBC Bank plc	300,000	0.35%	11-Apr-18	-300,000	-14.38	AA-	F1+
09-Apr-18	5	HSBC Bank plc	245,000	0.35%	11-Apr-18	-245,000	-4.70	AA-	F1+
09-Apr-18	6	DMO	2,000,000	0.25%	10-Apr-18	-2,000,000	-13.70	AAA	

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
10-Apr-18	7	Thurrock Council	2,000,000	0.40%	30-May-18	-2,000,000	-1095.89		
10-Apr-18	8	HSBC Bank plc	100,000	0.35%	11-Apr-18	-100,000	-0.96	AA-	F1+
12-Apr-18	9	HSBC Bank plc	80,000	0.35%	13-Apr-18	-80,000	-0.77	AA-	F1+
13-Apr-18	10	HSBC Bank plc	280,000	0.35%	16-Apr-18	-280,000	-8.05	AA-	F1+
16-Apr-18	11	HSBC Bank plc	100,000	0.35%	17-Apr-18	-100,000	-0.96	AA-	F1+
16-Apr-18	12	HSBC Bank plc	450,000	0.35%	25-Apr-18	-450,000	-38.84	AA-	F1+
16-Apr-18	13	HSBC Bank plc	100,000	0.37%	08-May-18	-100,000	-22.30	AA-	F1+
17-Apr-18	14	HSBC Bank plc	150,000	0.35%	18-Apr-18	-150,000	-1.44	AA-	F1+
18-Apr-18	15	HSBC Bank plc	150,000	0.35%	23-Apr-18	-150,000	-7.19	AA-	F1+
19-Apr-18	16	HSBC Bank plc	135,000	0.35%	23-Apr-18	-135,000	-5.18	AA-	F1+
20-Apr-18	17	HSBC Bank plc	250,000	0.35%	23-Apr-18	-250,000	-7.19	AA-	F1+
24-Apr-18	18	HSBC Bank plc	100,000	0.35%	25-Apr-18	-100,000	-0.96	AA-	F1+
26-Apr-18	19	HSBC Bank plc	200,000	0.36%	14-May-18	-200,000	-35.51	AA-	F1+
27-Apr-18	20	HSBC Bank plc	185,000	0.35%	30-Apr-18	-185,000	-5.32	AA-	F1+
30-Apr-18	20	HSBC Bank plc	150,000	0.35%	08-May-18	-150,000	-11.51	AA-	F1+
30-Apr-18	21	Lloyds Bank Plc	Rolled Over	0.36%	14-May-18		-69.04	A+	F1
14-May-18	21	Lloyds Bank Plc	Rolled Over	0.41%	04-Jul-18		-286.44	A+	F1
04-Jul-18	21	Lloyds Bank Plc	500,000	0.38%	08-Aug-18	-500,000	-182.19	A+	F1
30-Apr-18	22	Lloyds Bank Plc	Rolled Over	0.45%	11-Jun-18		-258.90	A+	F1
11-Jun-18	22	Lloyds Bank Plc	Rolled Over	0.37%	09-Jul-18		-141.92	A+	F1
09-Jul-18	22	Lloyds Bank Plc	500,000	0.40%	08-Aug-18	-500,000	-164.38	A+	F1
30-Apr-18	23	Dumfries & Galloway Council	2,000,000	0.40%	04-Jul-18	-2,000,000	-1424.66		
01-May-18	24	HSBC Bank plc	180,000	0.35%	14-May-18	-180,000	-22.44	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
03-May-18	25	HSBC Bank plc	100,000	0.35%	22-May-18	-100,000	-18.22	AA-	F1+
03-May-18	26	HSBC Bank plc	150,000	0.35%	08-May-18	-150,000	-7.19	AA-	F1+
08-May-18	27	HSBC Bank plc	400,000	0.35%	14-May-18	-400,000	-23.01	AA-	F1+
08-May-18	28	HSBC Bank plc	50,000	0.35%	18-May-18	-50,000	-4.79	AA-	F1+
10-May-18	29	HSBC Bank plc	120,000	0.35%	14-May-18	-120,000	-4.60	AA-	F1+
11-May-18	30	HSBC Bank plc	90,000	0.35%	14-May-18	-90,000	-2.59	AA-	F1+
14-May-18	31	Lloyds Bank Plc	Rolled Over	0.41%	04-Jul-18		-257.79	A+	F1
04-Jul-18	31	Lloyds Bank Plc	450,000	0.38%	08-Aug-18	-450,000	-163.97	A+	F1
15-May-18	32	HSBC Bank plc	300,000	0.35%	21-May-18	-300,000	-17.26	AA-	F1+
16-May-18	33	HSBC Bank plc	100,000	0.35%	21-May-18	-100,000	-4.79	AA-	F1+
18-May-18	34	HSBC Bank plc	360,000	0.35%	21-May-18	-360,000	-10.36	AA-	F1+
21-May-18	35	HSBC Bank plc	125,000	0.35%	04-Jun-18	-125,000	-16.78	AA-	F1+
22-May-18	36	HSBC Bank plc	80,000	0.35%	04-Jun-18	-80,000	-9.97	AA-	F1+
24-May-18	37	HSBC Bank plc	130,000	0.35%	31-May-18	-130,000	-8.73	AA-	F1+
29-May-18	38	HSBC Bank plc	800,000	0.35%	30-May-18	-800,000	-7.67	AA-	F1+
30-May-18	39	DMO	1,000,000	0.25%	06-Jun-18	-1,000,000	-47.95	AAA	
30-May-18	40	HSBC Bank plc	600,000	0.35%	19-Jul-18	-600,000	-287.67	AA-	F1+
31-May-18	41	DMO	2,950,000	0.26%	04-Jul-18	-2,950,000	-714.47	AAA	
31-May-18	42	HSBC Bank plc	500,000	0.35%	11-Jun-18	-500,000	-52.74	AA-	F1+
01-Jun-18	43	HSBC Bank plc	190,000	0.35%	11-Jun-18	-190,000	-18.22	AA-	F1+
04-Jun-18	44	HSBC Bank plc	135,000	0.35%	18-Jun-18	-135,000	-18.12	AA-	F1+
04-Jun-18	45	HSBC Bank plc	100,000	0.35%	22-Jun-18	-100,000	-17.26	AA-	F1+
06-Jun-18	46	DMO	1,000,000	0.25%	11-Jun-18	-1,000,000	-34.25	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
06-Jun-18	47	HSBC Bank plc	100,000	0.35%	07-Jun-18	-100,000	-0.96	AA-	F1+
07-Jun-18	48	HSBC Bank plc	150,000	0.35%	11-Jun-18	-150,000	-5.75	AA-	F1+
11-Jun-18	49	DMO	1,000,000	0.25%	19-Jun-18	-1,000,000	-54.79	A+	F1
11-Jun-18	50	HSBC Bank plc	300,000	0.35%	15-Jun-18	-300,000	-11.51	AA-	F1+
13-Jun-18	51	HSBC Bank plc	80,000	0.35%	15-Jun-18	-80,000	-1.53	AA-	F1+
15-Jun-18	52	DMO	1,000,000	0.26%	04-Jul-18	-1,000,000	-135.34	A+	F1
15-Jun-18	53	HSBC Bank plc	400,000	0.35%	25-Jun-18	-400,000	-38.36	AA-	F1+
20-Jun-18	54	HSBC Bank plc	110,000	0.35%	09-Jul-18	-110,000	-20.04	AA-	F1+
22-Jun-18	55	HSBC Bank plc	90,000	0.35%	09-Jul-18	-90,000	-14.67	AA-	F1+
25-Jun-18	56	HSBC Bank plc	300,000	0.35%	28-Jun-18	-300,000	-8.63	AA-	F1+
27-Jun-18	57	HSBC Bank plc	250,000	0.35%	02-Jul-18	-250,000	-11.99	AA-	F1+
28-Jun-18	58	Barclays Bank plc	1,000,000	0.30%	08-Aug-18	-1,000,000	-338.11	A	F1
28-Jun-18	59	HSBC Bank plc	100,000	0.35%	20-Jul-18	-100,000	-21.10	AA-	F1+
28-Jun-18	60	HSBC Bank plc	150,000	0.35%	23-Jul-18	-150,000	-35.96	AA-	F1+
29-Jun-18	61	HSBC Bank plc	195,000	0.35%	02-Jul-18	-195,000	-5.61	AA-	F1+
02-Jul-18	62	DMO	1,000,000	0.25%	19-Jul-18	-1,000,000	-116.44	AAA	
02-Jul-18	63	Nationwide BS	Rolled Over	0.53%	01-Oct-18		-1982.06	A	F1
01-Oct-18	63	Nationwide BS	1,500,000	0.63%	19-Dec-18	-1,500,000	-2045.34	A+	F1
02-Jul-18	64	Bank Of Scotland	500,000	0.38%	08-Aug-18	-500,000	-192.60	A	F1
02-Jul-18	65	Barclays Bank plc	500,000	0.31%	08-Aug-18	-500,000	-154.59	A	F1
02-Jul-18	66	HSBC Bank plc	200,000	0.35%	04-Jul-18	-200,000	-3.84	AA-	F1+
03-Jul-18	67	HSBC Bank plc	100,000	0.35%	04-Jul-18	-100,000	-0.96	AA-	F1+
04-Jul-18	68	DMO	2,500,000	0.25%	18-Jul-18	-2,500,000	-239.73	AAA	

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
04-Jul-18	69	HSBC Bank plc	360,000	0.35%	09-Jul-18	-360,000	-17.26	AA-	F1+
05-Jul-18	70	HSBC Bank plc	80,000	0.35%	09-Jul-18	-80,000	-3.07	AA-	F1+
06-Jul-18	71	HSBC Bank plc	60,000	0.35%	09-Jul-18	-60,000	-1.73	AA-	F1+
09-Jul-18	72	HSBC Bank plc	180,000	0.35%	13-Jul-18	-180,000	-6.90	AA-	F1+
10-Jul-18	73	HSBC Bank plc	80,000	0.35%	13-Jul-18	-80,000	-2.30	AA-	F1+
12-Jul-18	74	HSBC Bank plc	120,000	0.35%	13-Jul-18	-120,000	-1.15	AA-	F1+
13-Jul-18	75	HSBC Bank plc	180,000	0.35%	16-Jul-18	-180,000	-5.18	AA-	F1+
16-Jul-18	76	HSBC Bank plc	600,000	0.35%	19-Jul-18	-600,000	-17.26	AA-	F1+
18-Jul-18	77	HSBC Bank plc	90,000	0.35%	23-Jul-18	-90,000	-4.32	AA-	F1+
18-Jul-18	78	DMO	2,500,000	0.41%	13-Sep-18	-2,500,000	-1600.68	AAA	
19-Jul-18	79	DMO	1,000,000	0.37%	20-Aug-18	-1,000,000	-324.38	AAA	
19-Jul-18	80	HSBC Bank plc	170,000	0.35%	23-Jul-18	-170,000	-6.52	AA-	F1+
20-Jul-18	81	HSBC Bank plc	250,000	0.35%	23-Jul-18	-250,000	-7.19	AA-	F1+
23-Jul-18	82	HSBC Bank plc	200,000	0.38%	06-Aug-18	-200,000	-29.15	AA-	F1+
23-Jul-18	83	HSBC Bank plc	300,000	0.38%	08-Aug-18	-300,000	-49.97	AA-	F1+
25-Jul-18	84	HSBC Bank plc	500,000	0.35%	30-Jul-18	-500,000	-23.97	AA-	F1+
27-Jul-18	85	HSBC Bank plc	100,000	0.40%	13-Aug-18	-100,000	-18.63	AA-	F1+
30-Jul-18	86	Yorkshire BS	1,100,000	0.57%	30-Oct-18	-1,100,000	-1580.38	A-	F1
31-Jul-18	87	DMO	1,450,000	0.48%	22-Oct-18	-1,450,000	-1582.68	AAA	
31-Jul-18	88	Leeds	1,750,000	0.68%	Still invested		-4988.22	A-	F1
01-Aug-18	89	HSBC Bank plc	250,000	0.35%	06-Aug-18	-250,000	-11.99	AA-	F1+
03-Aug-18	90	HSBC Bank plc	120,000	0.60%	06-Aug-18	-120,000	-5.92	AA-	F1+
06-Aug-18	91	HSBC Bank plc	70,000	0.60%	08-Aug-18	-70,000	-2.30	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
08-Aug-18	92	HSBC Bank plc	80,000	0.60%	20-Aug-18	-80,000	-15.78	AA-	F1+
08-Aug-18	93	HSBC Bank plc	100,000	0.60%	22-Aug-18	-100,000	-23.01	AA-	F1+
13-Aug-18	94	HSBC Bank plc	100,000	0.60%	10-Sep-18	-100,000	-46.03	AA-	F1+
15-Aug-18	95	HSBC Bank plc	390,000	0.60%	16-Aug-18	-390,000	-6.41	AA-	F1+
16-Aug-18	96	HSBC Bank plc	25,000	0.60%	17-Aug-18	-25,000	-0.41	AA-	F1+
16-Aug-18	97	Lloyds Bank Plc	Rolled Over	0.70%	29-Oct-18		-1092.77	A+	F1
29-Oct-18	97	Lloyds Bank Plc	Rolled Over	0.67%	24-Dec-18		-791.52	A+	F1
24-Dec-18	97	Lloyds Bank Plc	770,000	0.81%	Still invested		-125.52	A+	F1
17-Aug-18	98	HSBC Bank plc	225,000	0.60%	03-Sep-18	-225,000	-62.88	AA-	F1+
20-Aug-18	99	HSBC Bank plc	135,000	0.60%	03-Sep-18	-135,000	-31.07	AA-	F1+
22-Aug-18	100	HSBC Bank plc	80,000	0.60%	03-Sep-18	-80,000	-15.78	AA-	F1+
24-Aug-18	101	HSBC Bank plc	80,000	0.60%	03-Sep-18	-80,000	-13.15	AA-	F1+
28-Aug-18	102	HSBC Bank plc	200,000	0.60%	03-Sep-18	-200,000	-19.73	AA-	F1+
28-Aug-18	103	HSBC Bank plc	350,000	0.60%	14-Sep-18	-350,000	-97.81	AA-	F1+
30-Aug-18	104	HSBC Bank plc	115,000	0.60%	31-Aug-18	-115,000	-1.89	AA-	F1+
31-Aug-18	105	Bank Of Scotland	650,000	0.60%	13-Sep-18	-650,000	-138.90	A+	F1
31-Aug-18	106	Lloyds Bank Plc	Rolled Over	0.60%	19-Sep-18		-306.08	A+	F1
19-Sep-18	106	Lloyds Bank Plc	Rolled Over	0.61%	18-Oct-18		-474.96	A+	F1
18-Oct-18	106	Lloyds Bank Plc	980,000	0.61%	19-Nov-18	-980,000	-524.10	A+	F1
31-Aug-18	107	Barclays Bank plc	1,750,000	0.53%	18-Oct-18	-1,750,000	-1219.73	A	F1
31-Aug-18	108	HSBC Bank plc	110,000	0.60%	21-Sep-18	-110,000	-37.97	AA-	F1+
03-Sep-18	109	HSBC Bank plc	340,000	0.60%	13-Sep-18	-340,000	-55.89	AA-	F1+
05-Sep-18	110	HSBC Bank plc	95,000	0.60%	10-Sep-18	-95,000	-7.81	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
07-Sep-18	111	HSBC Bank plc	90,000	0.60%	13-Sep-18	-90,000	-8.88	AA-	F1+
10-Sep-18	112	HSBC Bank plc	170,000	0.60%	13-Sep-18	-170,000	-8.38	AA-	F1+
11-Sep-18	113	HSBC Bank plc	110,000	0.60%	13-Sep-18	-110,000	-3.62	AA-	F1+
13-Sep-18	114	HSBC Bank plc	200,000	0.60%	24-Sep-18	-200,000	-36.16	AA-	F1+
14-Sep-18	115	HSBC Bank plc	320,000	0.60%	17-Sep-18	-320,000	-15.78	AA-	F1+
17-Sep-18	116	HSBC Bank plc	820,000	0.60%	19-Sep-18	-820,000	-26.96	AA-	F1+
19-Sep-18	117	HSBC Bank plc	250,000	0.60%	08-Oct-18	-250,000	-78.08	AA-	F1+
21-Sep-18	118	HSBC Bank plc	95,000	0.60%	28-Sep-18	-95,000	-10.93	AA-	F1+
24-Sep-18	119	HSBC Bank plc	175,000	0.60%	28-Sep-18	-175,000	-11.51	AA-	F1+
26-Sep-18	120	HSBC Bank plc	75,000	0.60%	28-Sep-18	-75,000	-2.47	AA-	F1+
28-Sep-18	121	Dumfries & Galloway Council	1,350,000	0.65%	22-Nov-18	-1,350,000	-1322.26		
01-Oct-18	122	Cornwall Council	2,500,000	0.60%	22-Nov-18	-2,500,000	-2136.99		
01-Oct-18	123	HSBC Bank plc	310,000	0.60%	18-Oct-18	-310,000	-86.63	AA-	F1+
31-Oct-18	124	Plymouth City Council	2,500,000	0.80%	Still invested		-3342.47		
03-Oct-18	125	HSBC Bank plc	120,000	0.60%	18-Oct-18	-120,000	-29.59	AA-	F1+
05-Oct-18	126	HSBC Bank plc	120,000	0.60%	18-Oct-18	-120,000	-25.64	AA-	F1+
08-Oct-18	127	HSBC Bank plc	150,000	0.60%	18-Oct-18	-150,000	-24.66	AA-	F1+
10-Oct-18	128	HSBC Bank plc	90,000	0.60%	18-Oct-18	-90,000	-11.84	AA-	F1+
11-Oct-18	129	HSBC Bank plc	105,000	0.60%	18-Oct-18	-105,000	-12.08	AA-	F1+
12-Oct-18	130	HSBC Bank plc	100,000	0.60%	18-Oct-18	-100,000	-9.86	AA-	F1+
15-Oct-18	131	HSBC Bank plc	325,000	0.60%	18-Oct-18	-325,000	-16.03	AA-	F1+
16-Oct-18	132	HSBC Bank plc	100,000	0.60%	18-Oct-18	-100,000	-3.29	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
18-Oct-18	133	HSBC Bank plc	25,000	0.60%	19-Oct-18	-25,000	-0.41	AA-	F1+
18-Oct-18	134	HSBC Bank plc	240,000	0.60%	22-Oct-18	-240,000	-15.78	AA-	F1+
19-Oct-18	135	HSBC Bank plc	270,000	0.60%	25-Oct-18	-270,000	-26.63	AA-	F1+
22-Oct-18	136	HSBC Bank plc	632,000	0.60%	25-Oct-18	-632,000	-31.17	AA-	F1+
24-Oct-18	137	HSBC Bank plc	100,000	0.60%	25-Oct-18	-100,000	-1.64	AA-	F1+
25-Oct-18	138	Bank Of Scotland	1,250,000	0.91%	Still invested		-2088.01	A+	F1
25-Oct-18	139	HSBC Bank plc	180,000	0.60%	29-Oct-18	-180,000	-11.84	AA-	F1+
29-Oct-18	140	HSBC Bank plc	150,000	0.60%	05-Nov-18	-150,000	-17.26	AA-	F1+
29-Oct-18	141	HSBC Bank plc	150,000	0.60%	12-Nov-18	-150,000	-34.52	AA-	F1+
29-Oct-18	142	Barclays Bank	300,000	0.63%	Still invested		-326.22	A	F1
30-Oct-18	143	Yorkshire	1,200,000	0.76%	Still invested		-1549.15	A-	F1
31-Oct-18	144	HSBC Bank plc	780,000	0.60%	26-Nov-18	-780,000	-333.37	AA-	F1+
01-Nov-18	145	HSBC Bank plc	230,000	0.60%	15-Nov-18	-230,000	-52.93	AA-	F1+
05-Nov-18	146	HSBC Bank plc	180,000	0.60%	15-Nov-18	-180,000	-29.59	AA-	F1+
07-Nov-18	147	HSBC Bank plc	80,000	0.60%	08-Nov-18	-80,000	-1.32	AA-	F1+
08-Nov-18	148	HSBC Bank plc	120,000	0.60%	09-Nov-18	-120,000	-1.97	AA-	F1+
09-Nov-18	149	HSBC Bank plc	190,000	0.60%	12-Nov-18	-190,000	-9.37	AA-	F1+
12-Nov-18	150	Coventry	Rolled Over	0.51%	30-Nov-18		-70.42	A	F1
30-Nov-18	150	Coventry	Rolled Over	0.48%	14-Dec-18		-51.55	A	F1
14-Dec-18	150	Coventry	Rolled Over	0.49%	24-Dec-18		-37.59	A	F1
24-Dec-18	150	Coventry	280,000	0.72%	Still invested		-38.66	A	F1
14-Nov-18	151	HSBC Bank plc	100,000	0.60%	19-Nov-18	-100,000	-8.22	AA-	F1+
15-Nov-18	152	Barclays Bank	760,000	0.75%	Still invested		-718.36	A	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
16-Nov-18	153	HSBC Bank plc	240,000	0.60%	19-Nov-18	-240,000	-11.84	AA-	F1+
19-Nov-18	154	HSBC Bank plc	290,000	0.60%	20-Nov-18	-290,000	-4.77	AA-	F1+
20-Nov-18	155	HSBC Bank plc	330,000	0.60%	21-Nov-18	-330,000	-5.42	AA-	F1+
30-Nov-18	156	Dumfries Council	2,500,000	0.72%	Still invested		-1528.77		
21-Nov-18	157	HSBC Bank plc	360,000	0.60%	22-Nov-18	-360,000	-5.92	AA-	F1+
22-Nov-18	158	HSBC Bank plc	450,000	0.60%	30-Nov-18	-450,000	-59.18	AA-	F1+
26-Nov-18	159	HSBC Bank plc	300,000	0.60%	30-Nov-18	-300,000	-19.73	AA-	F1+
28-Nov-18	160	HSBC Bank plc	1,000,000	0.60%	30-Nov-18	-1,000,000	-32.88	AA-	F1+
30-Nov-18	161	Central Bedfordshire	2,500,000	0.70%	Still invested		-1486.30		
30-Nov-18	162	HSBC Bank plc	150,000	0.60%	10-Dec-18	-150,000	-24.66	AA-	F1+
30-Nov-18	163	HSBC Bank plc	75,000	0.60%	14-Dec-18	-75,000	-17.26	AA-	F1+
03-Dec-18	164	Lloyds Bank plc	Rolled Over	0.60%	31-Dec-18		-151.89	A+	F1
31-Dec-18	164	Lloyds Bank plc	330,000	0.85%	Still invested		-7.68	A+	F1
05-Dec-18	165	HSBC Bank plc	66,000	0.60%	06-Dec-18	-66,000	-1.08	AA-	F1+
06-Dec-18	166	HSBC Bank plc	185,000	0.60%	19-Dec-18	-185,000	-39.53	AA-	F1+
07-Dec-18	167	HSBC Bank plc	140,000	0.60%	19-Dec-18	-140,000	-27.62	AA-	F1+
10-Dec-18	168	HSBC Bank plc	240,000	0.60%	11-Dec-18	-240,000	-3.95	AA-	F1+
11-Dec-18	169	HSBC Bank plc	260,000	0.60%	31-Dec-18	-260,000	-85.48	AA-	F1+
13-Dec-18	170	HSBC Bank plc	190,000	0.60%	19-Dec-18	-190,000	-18.74	AA-	F1+
14-Dec-18	171	HSBC Bank plc	110,000	0.60%	21-Dec-18	-110,000	-12.66	AA-	F1+
17-Dec-18	172	HSBC Bank plc	500,000	0.60%	19-Dec-18	-500,000	-16.44	AA-	F1+
18-Dec-18	173	HSBC Bank plc	130,000	0.60%	19-Dec-18	-130,000	-2.14	AA-	F1+
19-Dec-18	174	HSBC Bank plc	650,000	0.60%	24-Dec-18	-650,000	-53.42	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
19-Dec-18	175	HSBC Bank plc	330,000	0.60%	31-Dec-18	-330,000	-65.10	AA-	F1+
19-Dec-18	176	HSBC Bank plc	160,000	0.60%	Still invested		-31.56	AA-	F1+
28-Dec-18	177	HSBC Bank plc	450,000	0.60%	Still invested		-22.19	AA-	F1+
20-Dec-18	178	HSBC Bank plc	115,000	0.60%	Still invested		-20.79	AA-	F1+
<b>Investments April - December 2018</b>			<b>81,018,000</b>			<b>-66,153,000</b>	<b>-43,118</b>		
<b>Total Investments 2018/19 (including Brought Forward from 2017/18)</b>			<b>90,933,000</b>			<b>-75,703,000</b>	<b>-51,260</b>		

## POLICY AND FINANCE COMMITTEE

<b>Fitch Rating Definitions</b>	
<b>International Long-Term Credit Ratings</b>	
Long-term credit rating can be used as a benchmark measure of probability of default.	
AAA	Highest credit quality. 'AAA' denotes the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectation of low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than in the case for higher ratings.
BBB	Moderate default risk. 'BBB' National Ratings denote a moderate default risk relative to other issuers or obligations in the same country. However, changes in circumstances or economic conditions are more likely to affect the capacity for timely repayment than is the case for financial commitments denoted by a higher rated category
<b>International Short-Term Credit ratings</b>	
Short-term rating has a time horizon of less than 13 months for most obligations and thus places greater emphasis on the liquidity necessary to meet financial commitments	
F1	Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
F2	Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
F3	Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non-investment grade.
B	Indicates an uncertain capacity for timely payment of financial commitments relative to other issuers or obligations in the same country. Such capacity is highly susceptible to near-term adverse changes in financial and economic conditions.

**POLICY AND FINANCE COMMITTEE  
FULL RATING LIST OF APPROVED INSTITUTIONS AS AT 31 DECEMBER 2018**

	S&P Global Ratings			Moody's			Fitch				
	Long Term	Short Term	Outlook	Long Term	Short Term	Outlook	Full Review Date	Long Term	Short Term		Outlook
<b>Building Societies</b>											
<b>Nationwide</b>	A	A-1	<i>Positive</i>	Aa3	P-1	<i>Negative</i>	14/12/18	A	F1	<i>Stable</i>	£1m min,
<b>Yorkshire</b>	-	-	-	A3	P-2	<i>Stable</i>	24/04/18	A-	F1	<i>Stable</i>	
<b>Coventry</b>	-	-	-	A2	P-1	<i>Stable</i>	24/04/18	A	F1	<i>Stable</i>	Sterling Brokers
<b>Skipton</b>	-	-	-	Baa1	P-2	<i>Positive</i>	24/04/18	A-	F1	<i>Stable</i>	
<b>Leeds</b>	-	-	-	A3	P-2	<i>Stable</i>	24/04/18	A-	F1	<i>Stable</i>	3Mth
<b>Principality</b>	-	-	-	Baa2	P-2	<i>Stable</i>	24/04/18	BBB+	F2	<i>Stable</i>	No Contact
<b>Banks</b>											
<b>Santander UK Plc.</b>	A	A-1	<i>Stable</i>	Aa3	P-1	<i>Stable</i>	14/12/18	A	F1	<i>Positive</i>	
<b>Barclays Bank Plc.</b>	A	A-1	<i>Stable</i>	A2	P-1	<i>Stable</i>	20/12/18	A+	F1	<i>Stable</i>	
<b>Bank of Scotland Plc.</b>	A+	A-1	<i>Stable</i>	Aa3	P-1	<i>Stable</i>	14/12/18	A+	F1	<i>Stable</i>	
<b>Co-operative Bank (The)</b>	-	-	-	Caa1	NP	<i>Stable</i>	23/08/18	B	B	<i>Stable</i>	£1m min
<b>HSBC Bank Plc.</b>	AA-	A-1+	<i>Stable</i>	Aa3	P-1	<i>Stable</i>	02/07/18	AA-	F1+	<i>Stable</i>	
<b>Lloyds Bank Plc.</b>	A+	A-1	<i>Stable</i>	Aa3	P-1	<i>Stable</i>	14/12/18	A+	F1	<i>Stable</i>	£250k
<b>National Westminster Bank Plc.</b>	A-	A-2	<i>Positive</i>	A1	P-1	<i>Positive</i>	14/12/18	A+	F1	<i>Stable</i>	Current a/c required
<b>Royal Bank of Scotland Plc.</b>	A-	A-2	<i>Positive</i>	A1	P-1	<i>Positive</i>	14/12/18	A	F1	<i>Stable</i>	Current a/c required

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION
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Agenda Item No 12

meeting date: 22 JANUARY 2019  
 title: REVENUES AND BENEFITS GENERAL REPORT  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: MARK EDMONDSON

## 1 PURPOSE

1.1 To inform committee of debts outstanding for business rates, council tax and sundry debtors. Also to update committee on benefits performance, including benefits processing times and overpayment recovery.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives/Corporate Priorities

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

## 2 NATIONAL NON-DOMESTIC RATES (NNDR)

2.1 The following is a collection statement to 9 January 2019:

	£000	£000	2018/19 %	2017/18 %
Balance Outstanding 1 April 2018		585		
NNDR amounts due	20,446			
Plus costs	3			
Transitional surcharge	199			
Write ons	14			
	<b>20,662</b>			
Less				
- Transitional relief	-404			
- Exemptions	-301			
- Charity, Rural, Community Amateur Sports Clubs Relief	-1,196			
- Small Business Rate Relief	-3,048			
- Revaluation 2017, Pub, SSB and Other reliefs	-112			
- Interest Due	0			
- Write Offs	-51			
	<b>-5,112</b>	15,550		
<b>Total amount to recover</b>		<b>16,135</b>		
Less cash received to 9 January 2019		-13,411	83.1	84.2
<b>Amount Outstanding</b>		<b>2,724</b>	<b>16.9</b>	<b>15.8</b>

NB The figures included in the table include not only those charges for 2018/19 but also those relating to previous years, but we are required to report to the Ministry of Housing, Communities & Local Government (MHCLG) our in year collection rate. This figure is published and is used to compare our performance with other local authorities. On this measure our current in year collection rate at 31 December 2018 is 83.39% compared with 85.07% at 31 December 2017.

### 3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 9 January 2019:

	£000	£000	2018/19 %	2017/18 %
Balance Outstanding 1 April 2018		948		
Council Tax amounts due	46,450			
Plus costs	69			
Transitional relief	2			
Write ons	2			
	<b>46,523</b>			
Less - Exemptions	-681			
- Discounts	-4,119			
- Disabled banding reduction	-55			
- Council Tax Benefit	3			
- Local Council Tax Support	-1,822			
- Write offs	-20			
	<b>-6,694</b>	39,829		
<b>Total amount to recover</b>		<b>40,777</b>		
Less cash received to 9 January 2019		-35,495	87.0	86.85
<b>Amount Outstanding</b>		<b>5,282</b>	<b>13.0</b>	<b>13.15</b>

NB The figures included in the table include not only those charges for 2018/19 but also those relating to previous years, but we are required to report our in year collection rate to the MHCLG. This figure is published by them and is used to compare our performance against other local authorities. On this measure our current in year collection rate at 31 December 2018 is 87.31% compared to 87.51% at 31 December 2017.

### 4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 8 January 2019 is:

	£000	£000
Amount Outstanding 1 April 2018		494
Invoices Raised	2,931	
Plus costs	1	
		<b>2,932</b>
Less write offs		1
<b>Total amount to recover</b>		<b>3,425</b>
Less cash received to 8 January 2019		2,888
<b>Amount outstanding</b>		<b>537</b>

<b>Aged Debtors</b>	<b>000s</b>	<b>%</b>
< 30 days	29	5
30 - 59 days	110	21
60 - 89 days	7	1
90 - 119 days	16	3
120 - 149 days	14	3
150+ days	361	67
	<b>537</b>	<b>100</b>

## 5 HOUSING BENEFIT AND COUNCIL TAX SUPPORT PERFORMANCE

- 5.1 The main indicator for Housing Benefit and Council Tax Support performance is known as Right Time. The benefit section also report on Local Performance Indicators that have been set within the department for benefit fraud and overpayments.
- 5.2 The Department for Work and Pensions does not require Local Authorities (LA's) to report on any other Performance Measures but encourages them to monitor their own performance locally.
- 5.3 We obviously consider it very important to monitor overpayment data.

### *Housing Benefit Right Time Indicator 2018/2019*

The right time indicator measures the time taken to process HB/CTS new claims and change events; this includes changes in circumstances, interventions, fraud referrals and prints generated by the benefit department.

<b>Target for year</b>	<b>Actual Performance 1 October 2018 – 31 December 2018</b>	<b>Average Performance</b>
6.9 days	4.96 days	20 days per IRRV

### *New claims performance*

<b>Target for year</b>	<b>Actual Performance 1 October 2018 – 31 December 2018</b>	<b>Top grade 4 for all LA's 2007/08</b>
20 days	15.25 days	Under 30 days

## 6 HOUSING BENEFIT OVERPAYMENTS

- 6.1 Overpayment means any amount paid as Housing Benefit when there was no entitlement under the regulations. Performance for the period 1 October 2018 - 31 December 2018:

<b>Performance Measure</b>	<b>%</b>
The amount of Housing Benefit (HB) overpayments recovered during the period being reported on as a percentage of HB overpayments deemed recoverable during that period.	93.59
The amount of Housing Benefit (HB) overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year plus amount of HB overpayments identified during the period.	13.28

Performance Measure	%
The amount of Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year, plus amount of HB overpayments identified during the period.	0.67

7 CONCLUSION

7.1 Note the continuing progress that we make in collecting these debts, and the performance of our Housing Benefit Section remains satisfactory.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF8-19/ME/AC  
9 January 2019

For further information please ask for Mark Edmondson.