

RIBBLE VALLEY BOROUGH COUNCIL

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Dear Councillor

The next meeting of the **SPECIAL POLICY AND FINANCE COMMITTEE** is at **6.30pm** on **TUESDAY, 5 FEBRUARY 2019** at 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 I – items of business to be discussed in public

1. Apologies for absence.
2. Declarations of Pecuniary and Non-Pecuniary Interest (if any).
3. Public Participation (if any).

INFORMATION ITEMS

- ✓ 4. Provisional Local Government Finance Settlement 2019/20 – report of Director of Resources – copy enclosed.

DECISION ITEMS

- ✓ 5. Overall Revised Capital Programme 2018/19 – report of Director of Resources – copy enclosed.

- ✓ 6. Overall Capital Programme 2019/20 to 2023/24 – report of Director of Resources – copy enclosed.
- ✓ 7. Overall Revenue Budget 2019/20 – report of Director of Resources – copy enclosed.

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

None.

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 4

meeting date: 5 FEBRUARY 2019
 title: PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2019/20
 submitted by: DIRECTOR OF RESOURCES
 principal author: JANE PEARSON

1. PURPOSE

1.1 To report the details of the provisional finance settlement for 2019/20.

2. BACKGROUND

2.1 The local government finance settlement is the annual determination of funding to local government and is approved by the House of Commons. The grant settlement for next year was issued on 13 December 2018 following a delay due to the BREXIT debate.

2.2 The Secretary of State for Housing, Communities and Local Government, James Brokenshire, issued a written ministerial statement to the House of Commons which set out the Local Government Finance Settlement for 2019/20.

2.3 The consultation period ended on 10 January 2019. It is expected the final settlement will be laid before the House of Commons in February.

3. MULTI YEAR SETTLEMENT

3.1 The 2019/20 grant settlement is the final year of a four year funding deal agreed with councils via a multi year settlement which was subject to each council publishing an efficiency plan

3.2 As expected the provisional grant settlement announcement honours the funding allocations already made to us as part of the multi year settlement.

4. KEY INFORMATION FOR RIBBLE VALLEY

4.1 Our key settlement information is as follows:

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Settlement Funding Assessment	1.862606	1.569143	1.411972	1.440600
of which:				
Revenue Support Grant	0.623087	0.304319	0.109149	0.000000
Baseline Funding Level	1.239518	1.264824	1.302823	1.440600
Tariff/Top-Up ³	-4.361493	-3.997472	-4.147262	-6.364375
Tariff/Top-Up adjustment			-0.028828	
Safety Net Threshold	1.146554	1.169962	1.205111	1.368570
Levy Rate (p in £)	0.50	0.50	0.50	0.00

5. NEW HOMES BONUS

5.1 In December 2016 following a consultation exercise the Government announced reforms to the New Home Bonus Scheme:

- reduce the number of years NHB payments are made from 6 years to 5 years in 2017/18 and then to 4 years from 2018/19; and
- introduction of a national baseline for housing growth set initially at 0.4% from 2017/18. Housing growth below this level in each authority will not receive Bonus allocations. The Government also retained the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth.

5.2 In 2018/19 the Government decided to maintain the baseline at 0.4%. Following the 2019/20 technical consultation they decided that decisions on the baseline for 2019/20 would be made following the publication of the council tax base statistics in November. After considering the taxbase data they have decided not to make any changes to the baseline for 2019/20. However beyond 2019/20 there is still considerable uncertainty regarding NHB.

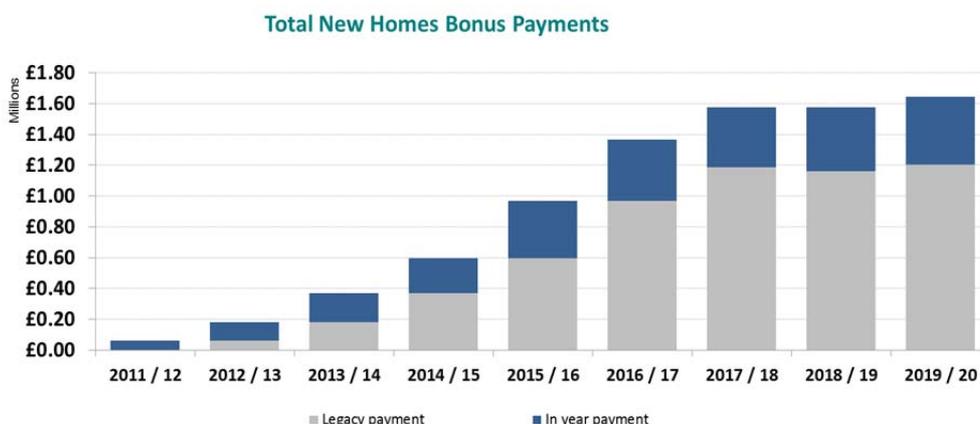
5.3 The New Homes Bonus Scheme is mainly funded from Revenue Support Grant.

Impact on Ribble Valley

5.4 Our in year allocation for 2019/19 will increase from £414k to £442k. In effect our taxbase had to increase by 106 new properties between October 2017 and October 2018 before we could receive any NHB for 19/20. Our allocation includes a payment for new affordable housing within the year. We are querying our payment with MHCLG as we believe we have significantly more than the 34 allowed. We will also be submitting evidence of the impact of downbandings during the year on our NHB allocation. If successful we could gain £9,471 each year for 4 years of which we would receive 80%.

5.5 Our total provisional allocation for next year is £1.643k compared with £1.576k in 2018/19. We will inform the BWG if our allocation changes as a result of our appeals.

5.6 Annex 1 shows our allocation by year.



6. BUSINESS RATES

6.1 As you are aware we submitted an application for a Lancashire Pilot Pool for 75% Business Rate Retention at the end of September.

6.2 The announcement of successful Pilots was made alongside the provisional grant settlement. Pleasingly the Government have approved our bid and we have received the official designation letter from MHCLG confirming the new Lancashire Pilot Pool which consists of all local authorities in Lancashire including the Fire Authority with the exception of Lancaster City Council.

- Burnley Borough Council
- Chorley Borough Council
- Fylde Borough Council
- Hyndburn Borough Council
- Pendle Borough Council
- Preston City Council
- Ribble Valley Borough Council
- Rossendale Borough Council
- South Ribble Borough Council
- West Lancashire Borough Council
- Wyre Borough Council
- Lancashire County Council
- Blackpool Borough Council
- Blackburn with Darwen Borough Council
- Lancashire Combined Fire Authority

6.3 The designation has effect from 1 April 2019 and for each subsequent year unless revoked.

6.4 Local authorities in the pool had 28 days from the date of the announcement of the Local Government Finance Settlement (13/12/18) to consider if they wish to continue to be designated as a pool. Provided no authority withdraws the new pool will exist from 1 April 2019. We are not aware of any member withdrawing.

6.5 All pilot authorities will each retain an increased amount of locally raised business rates. In return we will forego Revenue Support Grant (RSG) and Rural Services Delivery Grant. Top-ups and tariffs for all pilot members are adjusted to ensure fiscal neutrality.

6.6 Initial estimates suggest the Lancashire Pilot Pool could retain extra business rate growth in the region of £9m however we will have a clearer picture when we all complete our NNDR1 returns which are due to be submitted by the end of January.

7. LEVY ACCOUNT ADJUSTMENT

7.1 Under business rate retention the Government collect levies from authorities payable on growth and use this to compensate authorities who are below their safety net threshold. In 2018/19 there is a surplus on the levy account (based on 2017/18 outturns) and the Government have announced that this surplus will be distributed to authorities pro rata to their 2013/14 Settlement Funding Assessment (SFA). This is a proxy for the relative need of each authority. Ribble Valley will receive £20,446.

8. NEGATIVE REVENUE SUPPORT GRANT

8.1 In their recent technical consultation the Government put forward a number of options in order to cancel negative RSG in 2019/20. They have now announced that negative RSG will be eliminated via forgone business rate receipts. This is pleasing news for Ribble Valley as our negative RSG for next year was set to be £109k.

9. RURAL SERVICES DELIVERY GRANT (RDSG)

9.1 Rural Service Delivery Grant allocations were set to reduce from £81m in 2018/19 to £65m in 2019/20. The Government have confirmed that they will maintain RSDG at the 2018/19 levels of £81m.

9.2 For Ribble Valley this means that our initial allocation for next year of £86,603 will increase to £107,921. This will no longer be paid separately however but will be rolled in along with RSG to business rates baselines.

10. SOCIAL CARE

10.1 In the Autumn Budget the Government announced £650m extra funding in 2019/20 for local authorities

- £250m additional funding to spend on adult social care services to help councils alleviate winter pressures on the NHS
- £410m of social care grant to use for adult and children's services

11. COUNCIL TAX REFERENDUM PRINCIPLES

11.1 The Government have decided upon the following referendum principles

- a core principle of up to 3%. This would apply to shire county councils, unitary authorities, London borough councils, the Common Council of the City of London, the Council of the Isles of Scilly, the general precept of the Greater London Authority, and fire and rescue authorities;
- a continuation of the Adult Social Care precept, with an additional 2% flexibility available for shire county councils, unitary authorities, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly. This is subject to total increases for the Adult Social Care precept not exceeding 6% between 2017/18 and 2019/20, and increases being no more than 2% in 2019/20;
- shire district councils in two-tier areas will be allowed increases of up to 3%, or up to and including £5, whichever is higher;
- police and crime commissioners (PCCs) will be allowed increases of up to £24 in 2019-20 (including the Greater London Authority charge for the Metropolitan Police, and the PCC component of the Greater Manchester Combined Authority precept). This investment in the police system, combined with extra grant, will help forces meet increased demand and financial pressures, as they work towards continued efficiency savings in 2019-20.

11.2 The Government has announced that they will not be introducing referendum principles for parish and town councils, a proposal that they consulted on as part of the summer technical consultation on the 2017/18 settlement. They will keep the level of precepts set by town and parish councils under review and may introduce referendum principles in the future.

13. SPENDING POWER

13.1 Core Spending Power has increased by 2.8% for local government as a whole in 2019/20. This increase is largely due to the new adult social care grants.

Ribble Valley's Core Spending Power

CORE SPENDING POWER					
Ribble Valley					
Illustrative Core Spending Power					
	2015-16	2016-17	2017-18	2018-19	2019-20
	£ millions				
Settlement Funding Assessment	2.253017	1.862606	1.569143	1.411972	1.332680
Compensation for under-indexing the business rates multiplier	0.017927	0.017927	0.019000	0.029856	0.043427
Council Tax of which;	3.053395	3.208677	3.275257	3.451102	3.626976
<i>Council Tax Requirement excluding parish precepts (including base and levels growth)</i>	3.053395	3.160528	3.226109	3.385120	3.546679
<i>additional revenue from referendum principle for social care</i>	0.000000	0.000000	0.000000	0.000000	0.000000
<i>Potential additional Council Tax from £5 referendum principle for all Districts</i>	0.000000	0.048149	0.049148	0.065983	0.080298
Improved Better Care Fund	0.000000	0.000000	0.000000	0.000000	0.000000
New Homes Bonus	0.968616	1.366884	1.576990	1.575908	1.643759
New Homes Bonus returned funding	0.004002	0.002862	0.003036	0.000000	0.000000
Rural Services Delivery Grant	0.020651	0.107254	0.086603	0.107921	0.107921
Transition Grant	0.000000	0.020424	0.020345	0.000000	0.000000
The Adult Social Care Support Grant	0.000000	0.000000	0.000000	0.000000	0.000000
Winter pressures Grant	0.000000	0.000000	0.000000	0.000000	0.000000
Social Care Support Grant	0.000000	0.000000	0.000000	0.000000	0.000000
Core Spending Power	6.317609	6.586633	6.550373	6.576759	6.754763
Change over the Spending Review period (£ millions)					0.437154
Change over the Spending Review period (% change)					6.919612
Please see the Core Spending Power Explanatory note for details of the assumptions underpinning the elements of Core Spending Power.					
The figures presented in Core Spending Power do not reflect the changes to Settlement Funding Assessment made for pilot authorities. For information about pilots please refer to the Pilots Explanatory Note. For the Settlement Funding Assessment figures after adjustments for pilots please see Key Information for Local Authorities.					

14. 2019 SPENDING REVIEW

14.1 The 2019 Spending Review will confirm overall local government resourcing from 2020/21. **The Government is working towards significant reform in the local government finance system in 2020/21**, including:

- an updated, more robust and transparent distribution methodology following the review of relative needs and resources; and

- reforms to business rates retention, including resetting business rates baselines.
- 14.2 Consultation papers regarding both of these have been published alongside the grant settlement. These close on 21 February 2019 and will both need to be considered in detail.
- 14.3 Prior to these reforms in 2020/21, the Government has also committed to:
- test aspects of the new system, and will be implementing a further round of business rates retention pilots in 2019-20; and
 - publish a Green Paper on the future of Adult Social Care
15. CONCLUSION
- 15.1 As the final year of the four year settlement our allocations are in line with those previously announced, however we are better off as a result of:
- Negative RSG being eliminated +£109k
 - Rural Services Delivery Grant being maintained at the current year's level +£21k
 - Approval of our Lancashire Business Rate Pilot Pool bid which will mean we will retain extra business rate growth in the region of +£360k
 - Levy account surplus being returned to authorities +£20k
 - New Homes Bonus Baseline being retained at 0.4%.

DIRECTOR OF RESOURCES

PF10-19/JP/AC
28 January 2019

RIBBLE VALLEY BC NEW HOMES BONUS ALLOCATIONS BY YEAR

Relates to:	Received in year											
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
2011/12	62,046	62,046	62,046	62,046	62,046	62,046						
2012/13		117,599	117,599	117,599	117,599	117,599						
2013/14			188,053	188,053	188,053	188,053	188,053					
2014/15				227,108	227,108	227,108	227,108					
2015/16					373,810	373,810	373,810	373,810				
2016/17						398,268	398,268	398,268	398,268			
2017/18							389,751	389,751	389,751	389,751		
2018/19								414,079	414,079	414,079	414,079	
2019/20									441,661	441,661	441,661	441,661
2020/21										?	?	?
2021/22											?	?
2022/23												?
	62,046	179,645	367,698	594,806	968,616	1,366,884	1,576,990	1,575,908	1,643,759	1,245,491	855,740	441,661

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 5

meeting date: 5 FEBRUARY 2019
 title: OVERALL REVISED CAPITAL PROGRAMME 2018/19
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 To consider and approve the Council's overall revised capital programme for 2018/19.

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 The council operate a five-year capital programme, with a review undertaken every year to examine whether the programme still marries with our current and future plans.

2.2 As part of that review we also undertake a detailed examination of the current year's schemes to make any adjustments to the budgets based on progress and to ensure that they are included in the correct financial year, should any scheme delays be identified.

3 CURRENT APPROVED CAPITAL PROGRAMME 2018/19

3.1 The capital programme for 2018/19 was approved by Full Council in March 2018. Since then regular reports have been presented quarterly to all committees on progress with the capital programme. There have also been a number of further approvals and adjustments made during the year, resulting in a current approved budget for 2018/19 of £2,126,200, relating to 32 schemes.

3.2 The table below provides a summary of the in-year movements:

Movements 2018/19	Increase in the Number of Schemes	Impact on Capital Programme £
Originally Approved by Full Council March 2018	19	1,215,620
Schemes Moved from 2017/18 to 2018/19	2	275,000
Slippage on 12 schemes (2 are existing 2018/19 schemes)	10	551,090
Additional Approvals in year:		
- Existing Disabled Facilities Grants scheme due to additional funding (£23,990)	1	84,490
- New Replacement Hook Lift Vehicle (£50,000)		
- Existing Replacement Server for Revenues and Benefits scheme due to increased costs (£10,500)		
TOTALS	32	2,126,200

4 REVISING THE 2018/19 CAPITAL PROGRAMME

4.1 We have now discussed each of the schemes in the capital programme with budget holders and reviewed the programme to reflect their progress and estimated full year expenditure.

4.2 Following this review, the revised estimate is £1,965,100 for 30 schemes, which is a reduction of £161,100 from the previously approved capital programme budget and a reduction of 2 schemes. The reasons for this are as follows:

	Impact on Number of Schemes in 2018/19	£
Currently Approved Capital Programme 2018/19	32	2,126,200
Movements as a result of Revising the Capital Programme 2018/19		
<u>Schemes MOVED to 2019/20</u>		
Clitheroe Market Improvements: This scheme remains on hold, awaiting the final plans for the Clitheroe Market Development scheme. As a result, there is expected to be no expenditure on the scheme in 2018/19.	-1	-175,000
<u>Schemes where Expenditure will be SPLIT between 2018/19 and 2019/20</u>		
Lift replacement at Council Offices: The work specification is expected to be completed in 2018/19 at an estimated cost of £2,950. This needs to be completed before the scheme is put out to tender. Due to tendering timelines there will be no further spend in 2018/19, meaning £84,050 will be moved to 2019/20.		-84,050
<u>Schemes to be DELETED</u>		
All Weather Pitch Lighting: This scheme was for new lighting on the existing artificial grass pitches at Roefield. This scheme will no longer be needed if the new Roefield Artificial Grass Pitch scheme is approved as part of the Five Year Capital Programme 2019/24, which is reported elsewhere on this agenda.	-1	-31,000
<u>Schemes to be REDUCED</u>		
Vehicle and plant completed schemes: Actual spend on seven completed vehicle and plant schemes is lower than the originally approved budgets for those schemes.		-26,900
Vehicle and plant schemes in progress: Estimated spend on two vehicle schemes is lower than the total approved budget.		-7,200
Renewal of Sections of Floor to Residual Waste Transfer Station, Phase 2: Scheme expenditure is less than the total approved budget.		-7,850
Replacement server for Revenues and Benefits: 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 have since been identified as relating to revenue budgets, and so are now excluded from the scheme costs.		-3,180

	Impact on Number of Schemes in 2018/19	£
Queensway Garages – replace roof covering and repairs: The main scheme work has been completed at a cost of £17,845, but there is the potential that there may be further costs due to final snagging work. As a result the revised estimate has been set at £20,000.		-3,000
Civic suite upgrade: Actual spend was slightly lower than the budget slippage approved.		-1,100
Play Area Improvements 2017/18: Actual spend was slightly lower than budget slippage approved.		-640
<u>Schemes to be INCREASED</u>		
Disabled Facilities Grants: Additional Disabled Facilities Grants funding has been received from the Ministry of Housing, Communities and Local Government, £93,365, and Onward Homes, £85,451, in December 2018 and January 2019. As a result the revised estimate for Disabled Facilities Grants has increased by £178,820 to £771,340.		178,820
PROPOSED REVISED ESTIMATE	30	1,965,100

5 FINANCING OF THE 2018/19 REVISED CAPITAL PROGRAMME

- 5.1 The capital resources to finance the capital programme for 2018/19 have also been revised, as shown in the table below.

	Total Approved Financing 2018/19 £	Changes	Revised Estimate Financing 2018/19 £
Capital Programme Budget	2,126,200	-161,100	1,965,100
<u>Resources</u>			
<i>Grants and Contributions</i>			
MHCLG - Disabled Facilities Grants	-320,990	-93,370	-414,360
Onward Homes – Disabled Adaptations		-85,450	-85,450
<i>Borrowing</i>			
Unsupported Borrowing	-211,000	175,000	-36,000
<i>Usable Reserves</i>			
Capital Grants Unapplied	-292,410		-292,410
Capital Earmarked Reserve	-159,520		-159,520
VAT Shelter Earmarked Reserve	-191,160	8,950	-182,210
New Homes Bonus Earmarked Reserve	-244,050	42,960	-201,090

	Total Approved Financing 2018/19 £	Changes	Revised Estimate Financing 2018/19 £
Fleming VAT Reclaim Earmarked Reserve	-6,450		-6,450
ICT Repairs and Renewals Earmarked Reserve	-13,908		-13,908
Refuse Earmarked Reserve	-10,000		-10,000
Invest to Save Earmarked Reserve	-23,000	3,000	-20,000
Equipment Earmarked Reserve	-43,012	3,180	-39,832
Vehicle and Plant Renewal Earmarked Reserve	-400,500	13,530	-386,970
Business Rates Growth Earmarked Reserve	-104,656	9,250	-95,406
Rural Services Delivery Grant Earmarked Reserve	-105,544	84,050	-21,494
Total of Resources Used	-2,126,200	161,100	-1,965,100

- 5.2 The council's policy is to maintain the Capital Earmarked Reserve at or above the minimum recommended balance of £350,000. The opening and closing balances on this reserve together with in year movements are summarised below and demonstrate that the reserve will be maintained above the minimum level for 2018/19.

Capital Earmarked Reserve	£
Opening Balance 1 April 2018	-860,472
Added in Year	-51,740
Used in Year	159,520
Closing Balance 31 March 2019	-752,692
Recommended Minimum Balance	-350,000

- 5.3 The council relies heavily on the use of its Earmarked Reserves to fund that capital programme, and in 2018/19 our use of earmarked reserves will be just over £1,429,290. The balance of funding comes from external funding towards the Disabled Facilities Grants Scheme of £499,810 and borrowing of £36,000.
- 5.4 Annex 1 shows the full capital programme, with the budget and actual expenditure (including commitments) at the end of December 2018 for each scheme. The summary position is shown below.

Committee	Original Estimate 2018/19 £	Budget Moved from 2017/18 £	Slippage from 2017/18 £	Additional Approvals 2018/19 £	Total Approved Budget 2018/19 £	Proposed Revised Estimate 2018/19 £	Budget Moved to 2019/20 £
Community Services	712,200	0	93,320	50,000	855,520	781,930	0
Planning and Development	0	0	30,200	0	30,200	30,200	0
Policy and Finance	156,420	0	86,140	10,500	253,060	161,730	84,050
Health and Housing	347,000	175,000	341,430	23,990	887,420	891,240	175,000
Economic Development	0	100,000	0	0	100,000	100,000	0
OVERALL TOTAL	1,215,620	275,000	551,090	84,490	2,126,200	1,965,100	259,050

6 OUR PERFORMANCE AGAINST THE PROPOSED REVISED CAPITAL PROGRAMME

6.1 At the end of December 2018 £1,338,556 had been spent or committed on capital programme schemes. This is 68.1% of the full year capital programme revised estimate budget.

Committee	Revised Estimate 2018/19 £	Actual Expenditure including commitments as at the end of December 2018 £
Community Services	781,930	728,213
Planning and Development	30,200	0
Policy and Finance	161,730	111,625
Health and Housing	891,240	498,718
Economic Development	100,000	0
OVERALL TOTAL	1,965,100	1,338,556

6.2 Of the 30 schemes in the revised capital programme:

- eleven have been completed
- thirteen are on-track to be completed at this stage
- two are unlikely to be completed in-year (New Council telephone system and Economic Development Initiatives)
- one will not be fully completed in-year (Introduction of Planning Portal Link to the Planning Application System and Planning System Update); and
- three are capital grants schemes, which still have budget available for further grant approvals.

6.3 Updates on progress with the schemes in the capital programme have been reported to committees and the main reasons for the £626,544 underspend to date against the full year revised estimate are as follows:

- **Disabled Facilities Grants (£303,482):** There is actual and committed expenditure of £467,858 at the end of December 2018. There are a number of grant awards that are ongoing and there are more referrals expected between now and the end of the financial year. Slippage into 2019/20 will be requested for any unspent budget at year-end.
- **Economic Development Initiatives (£100,000):** At this stage only the abortive costs from the Clitheroe Market Redevelopment project are to be charged against this capital scheme (£18,250). Otherwise, there is always the possibility that a valuation or assessment in-year may require expenditure in relation to acquisition at short notice. Given that a number of site opportunities are currently being explored in more detail it is proposed that the revised estimate remain at £100,000.
- **Landlord/Tenant Grants (£85,092):** One grant award has been approved so far and work is near to completion with payment expected before financial year-end. There is also a further substantial potential grant award that is being considered which if approved would use up a significant amount of the remaining budget.
- **New Council telephone system (£45,000):** Officers are currently in the process of obtaining quotes for the replacement system. At this stage there is uncertainty as to whether the scheme will be completed within the financial year. Slippage into 2019/20 will be requested for any unspent budget at year-end.
- **Introduction of Planning Portal Link to the Planning Application System and Planning System Update (£30,200):** Some expenditure is expected prior to the end of the financial year, but the scheme will not be fully completed within the 2018/19 financial year. Slippage into 2019/20 will be requested for any unspent budget at year-end.
- **Play Area Improvements 2018/19 (£23,075):** Refurbishment work across various play areas continues to be undertaken. There may be further elements of equipment replacements, but such work will be considered once the refurbishments works are largely completed and an element of the budget will be held back in case of any work needed due to vandalism.
- **Replacement Mini Tractor and Trailer (John Deere) – PN06 TSZ (£12,000):** Quotes were obtained for the tractor in December 2018 and an order was placed in January 2019, with delivery expected in February 2019.

7 CONCLUSION

- 7.1 The original estimate approved at this time last year was for £1,490,620 and included two schemes that had been moved from the 2017/18 financial year.
- 7.2 In year there has been slippage of £551,090 and also there have been a number of further approvals and adjustments made resulting in a current approved budget for 2018/19 of £2,126,200, relating to 32 schemes.
- 7.3 The proposed revised estimate will see partial and full budget on 2 schemes moved to the 2019/20 financial year, 1 scheme deleted and also a number of upward and downward individual scheme movements resulting in a proposed overall revised capital programme for 2018/19 of 30 schemes at a value of £1,965,100.
- 7.4 For those schemes moving to the 2019/20 financial year, the associated funding will also be moved.
- 7.5 The remaining schemes in 2018/19 in the revised capital programme are largely funded using earmarked reserves of £1,429,290. The balance of funding comes from external funding towards the Disabled Facilities Grants Scheme of £499,810 and borrowing of £36,000.
- 7.6 At the end of December 2018 £1,338,556 had been spent or committed on capital programme schemes. This is 68.1% of the full year revised capital programme for 2018/19.

8 RECOMMENDED THAT COMMITTEE

- 8.1 Approve the overall revised capital programme for 2018/19.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF11-19/AC/AC
25 January 2019

For further background information please ask for Andrew Cook.
BACKGROUND PAPERS - None

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 2018-19**

Cost Centre	Scheme	Original Estimate 2018/19 £	Budget Moved from 2017/18 £	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 £
<u>Community Services Committee</u>									
PLAYS	Play Area Improvements 2018/19	40,000	0	0	0	40,000	40,000	0	16,925
REPWB	Replacement of Refuse Wheelie Bins	10,000	0	0	0	10,000	10,000	0	10,018
TSFLR	Renewal of Sections of Floor to Residual Waste Transfer Station (Phase 2)	23,500	0	0	0	23,500	15,650	0	15,646
RVKXD	Replacement of Paper Collection Vehicle - VX55 KXD	49,000	0	0	0	49,000	42,250	0	42,247
RVYEK	Replacement of Refuse Collection Vehicle - PO60 YEK	222,500	0	0	0	222,500	219,690	0	219,689
VERTI	Purchase of Verti Drain Equipment	46,000	0	0	0	46,000	43,950	0	43,944
CPMHY	Replacement of Car Parking Van – Fiat Doblo PN09 MHY with an equivalent spec	13,000	0	0	0	13,000	9,740	0	9,740
RVPWL	Replacement of Garwood (12 tonne GVW) single bodied RCV with single multi-use vehicle – PN05 PWL	120,000	0	0	0	120,000	109,280	0	109,276
GVMVG	Replacement Mower (Haytor) - PN07 MVG	41,000	0	0	0	41,000	41,000	0	39,995
GVKXP	Replacement Mower (Kubota) - PN09 KXP	18,500	0	0	0	18,500	17,340	0	17,334

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 2018-19**

Cost Centre	Scheme	Original Estimate 2018/19 £	Budget Moved from 2017/18 £	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 £
GVT SZ	Replacement Mini Tractor and Trailer (John Deere) - PN06 TSZ	12,000	0	0	0	12,000	12,000	0	0
GVKJJ	Replacement Truck (Ford) c/w Tail Lift - PE60 KJJ	37,500	0	0	0	37,500	37,500	0	35,740
EAWPL	All Weather Pitch Lighting	31,000	0	0	0	31,000	0	0	0
WVAZL	Replacement of IVECO Daily Crew Cab - PO60 AZL	48,200	0	0	0	48,200	46,000	0	44,500
PLAYR	Play Area Improvements 2017/18	0	0	12,940	0	12,940	12,300	0	12,298
CPPAY	Off-Street Car Parks – Update of Payment Systems	0	0	16,340	0	16,340	16,340	0	16,205
CMWIN	Castle Museum – Refurbishment of Windows	0	0	36,000	0	36,000	36,000	0	29,917
GVLSY + GVTZG	Replacement Pick-up Vehicles (Ford Ranger S/C 4WD x 2) - PK07 LSY and PK07 TZG	0	0	21,590	0	21,590	21,440	0	21,429
RPIMP	Ribblesdale Pool Improvement Work	0	0	6,450	0	6,450	6,450	0	0
GVVWG	Replacement of Hook Lift vehicle – PN07 VWG	0	0	0	50,000	50,000	45,000	0	43,310
	Total Community Services Committee	712,200	0	93,320	50,000	855,520	781,930	0	728,213

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 2018-19**

Cost Centre	Scheme	Original Estimate 2018/19 £	Budget Moved from 2017/18 £	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 £
<u>Planning and Development Committee</u>									
PLANN	Introduction of Planning Portal Link to the Planning Application System and Planning System Update	0	0	30,200	0	30,200	30,200	0	0
	Total Planning and Development Committee	0	0	30,200	0	30,200	30,200	0	0
<u>Policy and Finance Committee</u>									
QGARR	Queensway Garages – replace roof covering and repairs	23,000	0	0	0	23,000	20,000	0	17,845
COLFT	Lift replacement at Council Offices	87,000	0	0	0	87,000	2,950	84,050	0
CFUPG	Financial system upgrade	46,420	0	0	0	46,420	46,420	0	46,433
RBSVR	Replacement server for Revenues and Benefits	0	0	13,500	10,500	24,000	20,820	0	20,813
PHONE	New Council telephone system	0	0	45,000	0	45,000	45,000	0	0
CSUPG	Civic suite upgrade	0	0	27,640	0	27,640	26,540	0	26,534
	Total Policy and Finance Committee	156,420	0	86,140	10,500	253,060	161,730	84,050	111,625

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 2018-19**

Cost Centre	Scheme	Original Estimate 2018/19 £	Budget Moved from 2017/18 £	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 £
<u>Health and Housing Committee</u>									
DISCP	Disabled Facilities Grants	297,000	0	271,530	23,990	592,520	771,340	0	467,858
LANGR	Landlord/Tenant Grants	50,000	0	49,020	0	99,020	99,020	0	13,928
CMIMP	Clitheroe Market Improvements	0	175,000	0	0	175,000	0	175,000	0
CWARM	Affordable Warmth – Capital Grants	0	0	20,880	0	20,880	20,880	0	16,932
	Total Health and Housing Committee	347,000	175,000	341,430	23,990	887,420	891,240	175,000	498,718
<u>Economic Development Committee</u>									
ECDVI	Economic Development Initiatives	0	100,000	0	0	100,000	100,000	0	0
	Total Economic Development Committee	0	100,000	0	0	100,000	100,000	0	0
OVERALL CAPITAL PROGRAMME 2018/19 TOTAL		1,215,620	275,000	551,090	84,490	2,126,200	1,965,100	259,050	1,338,556

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 6

meeting date: 5 FEBRUARY 2019
title: OVERALL CAPITAL PROGRAMME 2019/20 – 2023/24
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To provide members with details of the previously approved capital programme schemes for 2019/20 to 2022/23.
- 1.2 The report asks for member consideration of a number of adjustments to this previously approved capital programme.
- 1.3 Furthermore, the report also asks for member consideration of the new capital scheme bids that have been submitted for the future five year capital programme 2019/20 to 2023/24.
- 1.4 Should committee agree with the proposals in this report, members are asked to recommend a capital programme for 2019/20-2023/24 to Full Council on 5 March 2019.

2 DEVELOPING THE FIVE YEAR CAPITAL PROGRAMME 2019-24

- 2.1 Before a capital programme can be approved, consideration needs to be given to whether it is:
 - Affordable, both in capital and revenue terms
 - Achievable in terms of staff resources and time scales
 - In line with Council priorities.
- 2.2 In the same manner as the previous financial year, all Heads of Service were asked to submit capital bids.
- 2.3 A bid form was completed for each scheme, asking for such details as the revenue implications, full capital costs, any risks to completion and details of timescales.
- 2.4 Schemes were previously requested at this time last year for the 2019/20 to 2022/23 financial years. No bids have previously been considered for the 2023/24 financial year.
- 2.5 The proposals that are put forward by Heads of Service in their bids are based on a variety of sources such as:
 - Past discussions that have taken place at service committees
 - Known current service pressures
 - Anticipated future service pressures
 - Central Government expectation
 - Specific funding received from Central Government
 - Legislative requirements
- 2.6 These initial scheme bids were reported to service committees in the October/November 2018 cycle of meetings, when the specific views of members on

the proposals were sought. At this stage service committee approval was sought for the bids, with any proposed amendments, deletions or additions.

- 2.7 It was also highlighted to each service committee that the other service committees would also be receiving similar reports for the new scheme bids. It was explained that all bids from all committees would finally be considered alongside each other by the Budget Working Group and Policy and Finance Committee.
- 2.8 These bids are now at the stage of having been considered by the Budget Working Group (BWG) together with Corporate Management Team (CMT) against the proposed financing and a number of amendments have been put forward, which are now recommended for approval by this Special meeting of Policy and Finance Committee, and for onward approval by Full Council on 5 March 2019.
- 2.9 In developing the final proposed Five Year Capital Programme there are a number of elements that have been reviewed as part of this report:
- Previously approved schemes for 2019/20 - 2022/23
 - Any adjustments needed to the 2019/20 - 2022/23 schemes
 - Impacts from producing the Revised Estimate for the current financial year 2018/19 and the impact of any schemes that need to be moved to 2019/20.
 - Submission of new bids.
 - Any adjustments and changes that are needed to the bids as a result of the review by CMT and BWG
 - Financing of the new schemes that are proposed for inclusion.

3 PREVIOUSLY APPROVED SCHEMES

- 3.1 The previously approved capital programme for 2019/20 to 2022/23 is summarised below.
- 3.2 The value of the Disabled Facility Grant (DFG) scheme and the associated funding has been updated below to reflect the current level of funding being received. The DFG scheme in any given year will be adjusted as required to match the actual external funding received in year.

Committee Expenditure	2019/20	2020/21	2021/22	2022/23
Community Services	1,979,320	354,120	282,000	685,800
Economic Development Committee				
Health and Housing	370,000	383,500	383,500	370,000
Planning and Development	14,500			
Policy and Finance	45,000			358,500
Total Schemes	2,408,820	737,620	665,500	1,414,300
Financing				
Disabled Facility Grants	-320,000	-320,000	-320,000	-320,000
VAT Shelter Earmarked Reserve	-127,880	-122,120	-50,000	-50,000
Capital Earmarked Reserve	-7,520			
New Homes Bonus Earmarked Reserve	-313,600	-272,000	-272,000	

Committee Expenditure	2019/20	2020/21	2021/22	2022/23
Borrowing	-1,230,000			
Usable Capital Receipts	-89,080	-13,500	-13,500	-396,500
Fleming VAT Earmarked Reserve	-29,000			-38,272
Planning Earmarked Reserve	-14,500			
Vehicle Renewals Earmarked Reserve				-37,500
ICT Renewals Earmarked Reserve	-45,000			-87,641
Refuse (Wheeled Bins) Earmarked Reserve	-10,000	-10,000	-10,000	-10,000
Business Rates Growth Earmarked Reserve				-474,387
External Funding towards Castle Keep Repointing	-222,240			
Total Resources	-2,408,820	-737,620	-665,500	-1,414,300

4 ADJUSTMENTS TO THE PREVIOUSLY APPROVED SCHEMES

4.1 There have been four adjustments proposed as a result of the officer review and considerations by Budget Working Group and Corporate Management Team.

1. Installation of a Second Parking Deck on Chester Avenue Car Park: This scheme was initially approved subject to a survey establishing both the need and siting of this car park extension. A survey of car parking in Clitheroe has been done by external consultants, but is yet to be reported to the Car Parking Working Group, and Community Services Committee. In addition this committee has agreed to terminate the original procurement on the market scheme and submit expressions of interest to the Future High Street Fund.

Pending the outcome of future discussions, it is proposed to move the scheme and the associated funding method (Borrowing) from 2019/20 and into 2020/21.

- ***The capital expenditure impact of this is nil.***

2. Replacement Gang Mower: Following a review of the cost of the replacement Gang Mower (included in 2019/20) an increase in scheme costs of £1,000 has been identified. As a result it is proposed to increase the capital scheme by £1,000.

The scheme is currently funded from the Fleming VAT Earmarked Reserve and it is proposed to fund the additional £1,000 from this same source.

- ***The capital expenditure impact of this is an increase of £1,000.***

3. Replacement of JCB Gravemaster Digger: The vehicle is currently requiring a high level of repairs of approximately £4,000. As a result it has been requested that the replacement of the vehicle be brought forward by one year from 2020/21 to 2019/20. The moving forward of the scheme will also reduce the cost of the replacement from £32,000 to £29,000.

The scheme is currently funded from the VAT Shelter Earmarked Reserve and this switch in years will free £3,000 of VAT Shelter Earmarked Reserve funds.

- ***The capital expenditure impact of this is a decrease of £3,000.***

4. Castle Keep Lime Repointing Works and Repairs (Subject to External Funding): There have been difficulties in identifying funding sources for the work that is needed at the Castle Keep. The scheme is included on the basis

that external funding of £222,240 is identified. This was indicated in the initial bid when the scheme was first included in the capital programme.

As a result of the current difficulties it is proposed to move this scheme from 2019/20 to 2020/21 to allow more time to source funding.

- ***The capital expenditure impact is nil.***

4.2 In summary the above four items would result in the following adjustments to the table at paragraph 3.2.

Adjustments	2019/20	2020/21	Net
Community Services	-1,511,320	1,509,320	-2,000
Total Schemes	-1,511,320	1,509,320	-2,000
<u>Financing</u>			
VAT Shelter Earmarked Reserve	-29,000	32,000	3,000
Borrowing	1,230,000	-1,230,000	0
Fleming VAT Earmarked reserve	-1,000	0	-1,000
Usable Capital Receipts	89,080	-89,080	0
Potential External Funding	222,240	-222,240	0
Total Resources	1,511,320	-1,509,320	2,000

5 REVISING THE 2018/19 CAPITAL PROGRAMME

5.1 In arriving at a suggested Revised Capital Programme for the current financial year 2018/19, there have been 2 schemes that have been proposed to be moved to the 2019/20 financial year as they would not be completed by 31 March 2019 for various reasons.

5.2 These schemes will be moved with their associated financing.

Schemes and Financing to be moved from 2018/19 to 2019/20	Impact on 2019/20 £
Clitheroe Market Improvements (<i>Health and Housing Committee</i>)	175,000
Lift replacement at council offices (<i>Policy and Finance Committee</i>)	84,050
Total Value of Schemes	259,050
<u>Associated Funding</u>	
Use of Borrowing	-175,000
Use of Rural Services Earmarked Reserve	-84,050
Total Value of Funding	-259,050

6 NEW SCHEMES PUT FORWARD – 2019/20 and 2023/24

6.1 Heads of Service were asked to submit any new scheme bids for consideration for the 2023/24 financial year. A number of these schemes also included a request that they be considered for earlier years in the capital programme, notably for 2019/20.

- 6.2 Furthermore, there has been the substantial Roefield Artificial Grass Pitch proposal that has been considered by Community Services Committee. Following their approval of the scheme on 8 January 2019, this scheme is now brought alongside the other schemes that have been put forward and shown as a proposal for 2019/20.
- 6.3 An additional scheme was also requested by members at Community Services Committee meeting on 30 October 2018 with regard to the coverage of CCTV. To this end a further bid was included for consideration alongside all other bids in 2023/24.
- 6.4 A summary of all the new bids that were put forward is shown in the table below.

Committee	Roefield Artificial Grass Pitch Scheme for 2019/20	All Other New Bids Submitted for 2023/24	TOTAL
Community Services	1,430,440	955,600	2,386,040
Economic Development		24,400	24,400
Health and Housing		482,600	482,600
Planning and Development			0
Policy and Finance		222,000	222,000
Total	1,430,440	1,684,600	3,115,040

7 CONSIDERATION OF THE NEW SCHEMES BY CMT AND BUDGET WORKING GROUP

- 7.1 The table above shows the cost of the Roefield Artificial Grass Pitch proposal in 2019/20 and the new scheme bids for 2023/24. Overall the total of all new bids was £3,115,040 and if all were to be approved we would need to find resources to fully fund the cost of these schemes (with the exception of DFGs).
- 7.2 CMT met on 16 January 2019 to consider all of the new bids that had been put forward, and their proposals were presented to the Budget Working Group on 17 January 2019.
- 7.3 From the outset it was identified that the Roefield Artificial Grass Pitch proposal would be considered a high priority by members and so is proposed for inclusion in the capital programme. This is obviously the largest scheme proposal and will require a large proportion of the financial resources that we have available at £1,430,440.
- 7.4 Further detailed consideration was undertaken of all schemes and the table below summarises the proposals that were put forward by CMT and agreed with by Budget Working Group.

CMT Suggestions Considered by Budget Working Group		£
Roefield Artificial Grass Pitch scheme for 2019/20		1,430,440
New Bids as submitted for 2023/24		1,684,600
Total Schemes		3,115,040

CMT Suggestions Considered by Budget Working Group		£
<u>CMT Suggested Bids NOT TO BE INCLUDED</u>		
Edisford Car Park Extension Advanced Works (See also below) <i>It was agreed by CMT that this scheme should be 'parked' until such time as the impacts of other developments at Edisford/Roefield have been established or realised.</i>		-20,800
Edisford Car Park Extension (See also above) <i>It was agreed by CMT that this scheme should be 'parked' until such time as the impacts of other developments at Edisford/Roefield have been established or realised.</i>		-398,500
Painting of the Council Offices <i>Scheme not to be brought in to the capital scheme as the work is Revenue in nature. Instead the works are to be funded from budget savings/underspends to be identified as we approach year end. ie any savings identified in 2018/19 are to be set aside in an earmarked reserve to be spent on repainting work in 2019/20 onwards - and continuing in the same manner thereafter.</i>		-31,100
<u>CMT Suggested Bids TO BE CONSIDERED AS PART OF AN EXISTING SCHEME</u>		
CCTV at Edisford Road, Clitheroe and Berry Lane, Longridge <i>There is an existing CCTV scheme scheduled for 2019/20. As part of that scheme the police will be asked for details of any areas where further cameras may be beneficial. Any increased camera coverage suggested by them will be considered and may see an increase in budget for the existing CCTV capital scheme in 2019/20, if needed.</i>		-13,400
<u>CMT Suggested Bids to be REPROGRAMMED TO ALTERNATE YEAR</u>		
Automatic Access Barrier - Edisford River Bank <i>Agreed to bring this bid into the capital programme, but in the earlier year of 2019/20 - at the reduced scheme budget included in the bid for 2019/20 of £14,000</i>		-1,100
Gateway Signs for Whalley, Longridge and Clitheroe <i>Agreed to bring this bid into the capital programme and to bring it forward to 2019/20 – with a budget of £20,000. This would be used to then fund as many signs as could be accommodated within budget. It was also recommended that an external quote be sought for this work - including installation.</i>		-4,400
Committee Administration IT System <i>Agreed to bring this bid into the capital programme - but in to 2019/20 at the cost indicated in the bid of £20,100. It was suggested that some of this work may need to be integrated with the re-design of the corporate website scheme.</i>		-1,600
Replacement PCs <i>Agreed to bring this bid into the capital programme. Due to extended support for Windows 7 ending in January 2020 it was agreed to bring this scheme forward to 2019/20 at the cost indicated in the bid of £47,100. It was also agreed that a centralised replacement plan would be developed to ensure a more corporate approach to the replacement of PCs - to be brought back to a future CMT meeting.</i>		-3,900

CMT Suggestions Considered by Budget Working Group		£
<u>CMT Suggested Bids to be INCLUDED BUT FURTHER REVIEWED</u>		
Drainage to New Section of Clitheroe Cemetery <i>Agreed to bring this bid into the capital programme - initially in 2023/24.</i> <i>However, further information was needed with regard to the work that had already been undertaken on the problem area, and whether all remedial work has been exhausted. If still needed in full, then it was agreed that the scheme could be brought forward to the earlier year of 2019/20 at a reduced budgeted cost of £63,500.</i>	0	
Joiners Arms Roof Renewal <i>Agreed to bring this bid into the capital programme in 2023/24.</i> <i>However, there were discussions about the wider issues around homelessness and the potential need to extend the property. It was agreed that the costs of extending the facility should be looked further in to, particularly if the Flexible Homelessness Support Grant is to continue.</i>	0	
E-Recruitment System <i>Agreed to bring this bid into the capital programme. As it was identified that further work was needed on this scheme, it was requested that a further report to CMT was needed, particularly with regard to the extent of the functionality of any suggested solution.</i>	0	
Total Net Change in Schemes	2,640,240	

7.5 As a result of the review of schemes, the remaining resources needed to be found to fund the new capital programme bids was £2,640,240.

8 FINANCING THE SUCCESSFUL SCHEMES

8.1 As in previous years, the availability of resources to fund the capital programme has been a key concern, particularly with the heavy reliance that is placed on the use of earmarked reserves to fund the capital programme. At the 31 March 2018 the council had earmarked reserves of £8,547,420. Of this, just over £3m (35%) was committed to fund the 2018/19 – 2022/23 capital programme.

8.2 There are continued high levels of uncertainty around funding streams such as New Homes Bonus and Business Rates Growth that are set aside funds in these earmarked reserves, and also opposing pressure on these resources for supporting the revenue budget.

8.3 The VAT Shelter arrangement will also end in 2022/23, and already we are seeing a substantial fall in resources, with only £39,710 anticipated to be received in 2018/19 and nil in 2019/20 based on discussions with Onward Homes.

8.4 The financing of the £2,640,240 identified as needed for the above new schemes will once again largely rely on our earmarked reserves.

8.5 The pressures around our main sources of capital financing as referred to above form part of the reasoning of how the schemes are proposed to be funded – and indeed the review of the schemes for inclusion in the capital programme.

- 8.6 A number of the Earmarked Reserves that we have previously used are now coming to the point of being exhausted based on future commitments for the existing capital programme. As a result, the residual values of these Earmarked Reserves form part of the suggested financing.
- 8.7 There has been tempered use of the VAT Shelter Earmarked Reserve, now that the council is in its closing years of receiving income from the VAT Shelter arrangements.
- 8.8 The balance of funding has therefore been needed from the Business Rates Growth Earmarked Reserve and the New Homes Bonus Earmarked Reserve.
- 8.9 The table below shows the proposed financing of the capital programme. The main element of funding will be for the Roefield Artificial Grass Pitch scheme which will take a large proportion of the anticipated Business Rates Growth income (via the Earmarked Reserves) seen in 2017/18 and forecast for 2018/19 and 2019/20.

CMT and BWG Suggested FUNDING	
Grant Funding for the Disabled Facility Grants scheme <i>(scheme is set to match actual funding received in year)</i>	-320,000
Use of Business Rates Growth Earmarked Reserve	-1,522,540
Use of VAT Shelter Earmarked Reserve	-50,000
Use of Capital Earmarked Reserve <i>(This will take the reserve to the minimum recommended balance of £350,000 by 2023/24)</i>	-358,082
Use of New Homes Bonus Earmarked Reserve	-306,637
Use of ICT Renewals Earmarked Reserve <i>(This will use the remaining uncommitted balance on this Earmarked Reserve)</i>	-9,100
Use of Fleming VAT Earmarked Reserve <i>(This will use the remaining uncommitted balance on this Earmarked Reserve)</i>	-5,451
Use of Vehicle and Plant Renewal Earmarked Reserve <i>(This will use the remaining uncommitted balance on this Earmarked Reserve)</i>	-13,530
Use of Wheeled Bins Earmarked Reserve	-11,000
Use of Flexible Homelessness Support Grant Earmarked Reserve	-43,900
Total Suggested Funding	-2,640,240
Resulting Net Shortfall in Resources/Excess Schemes	0

- 8.10 The suggested funding above will see a further £2,320,240 committed from our Earmarked Reserves, the balance being from Disabled Facility Grant external funding.

9 FINAL PROPOSED FIVE YEAR CAPITAL PROGRAMME

- 9.1 The final proposed five year capital programme is shown at Annex 1, together with the associated financing. The table below provides a summary by committee. This includes the transfer of schemes to 2019/20 as shown at section 5 of the report, and the existing previously approved schemes, with associated adjustments as shown at sections 3 and 4.

Committee	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
Community Services	1,912,440	1,863,440	282,000	685,800	507,800	5,251,480
Economic Development	20,000					20,000
Health and Housing	545,000	383,500	383,500	370,000	482,600	2,164,600
Planning and Development	14,500					14,500
Policy and Finance	196,250			358,500	118,200	672,950
TOTAL	2,688,190	2,246,940	665,500	1,414,300	1,108,600	8,123,530

9.2 The overall financing of the proposed capital programme is shown in the table below.

Committee	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
New Homes Bonus Earmarked Reserve	-313,600	-272,000	-272,000	0	-306,637	-1,164,237
Business Rates Growth Earmarked Reserve	-1,522,540	0	0	-474,387	0	-1,996,927
Other Earmarked Reserves	-357,050	-100,120	-60,000	-223,413	-481,963	-1,222,546
Disabled Facility Grants	-320,000	-320,000	-320,000	-320,000	-320,000	-1,600,000
Borrowing	-175,000	-1,230,000	0	0	0	-1,405,000
Usable Capital Receipts	0	-102,580	-13,500	-396,500	0	-512,580
Potential External Funding	0	-222,240	0	0	0	-222,240
TOTAL	-2,688,190	-2,246,940	-665,500	-1,414,300	-1,108,600	-8,123,530

9.3 The council's policy is to maintain the capital reserve at or above the minimum recommended balance of £350,000. The table below shows that the balance of the capital reserve will be at or above this level for the life of the recommended capital programme.

Capital Reserve	2019/20	2020/21	2021/22	2022/23	2023/24
Forecast Opening Balance	-752,692	-755,782	-755,782	-755,782	-755,782
Added to Reserve	-10,610	0	0	0	0
Taken from Reserve	7,520	0	0	0	401,982
Forecast Closing Balance	-755,782	-755,782	-755,782	-755,782	-353,800
Recommended Minimum Balance	-350,000	-350,000	-350,000	-350,000	-350,000

10 CONCLUSION

- 10.1 Heads of Service have put forward their capital programme bids for 2023/24. Committees have already considered the bids that had been put forward and all were supported.
- 10.2 There has also been the Roefield Artificial Grass Pitch scheme to consider and the additional suggestion around CCTV by members.
- 10.3 Corporate Management team (CMT) and Budget Working Group (BWG) have both met to consider the capital programme bids and amendments on the 16 and 17 January 2019 respectively. The final proposals that are recommended as part of this report were supported by the Budget Working Group at their meeting on 17 January 2019.
- 10.4 With the suggested changes by CMT and Budget Working Group, there will still be a substantial reliance on the council's Earmarked Reserves for funding the proposed capital programme. The proposals in this report will fully utilise the resources available in a number of earmarked reserves and rely on others where future resources above those already received (and above those needed for this capital programme) have a degree of uncertainty.
- 10.5 Total earmarked reserves that will need to be used over the life of this proposed capital programme will be just short of £4.4million. The council's forecast total earmarked reserves as at the 31 March 2019 is £8.75million.
- 10.6 The proposed capital programme for 2019/20 to 2023/24 is both affordable and achievable.

11 RECOMMENDED THAT SPECIAL POLICY AND FINANCE COMMITTEE

- 11.1 Recommend to Council the Capital Programme for 2019/20 to 2023/24 as set out in Annex 1.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF12-19/LO/AC
23 January 2019

PROPOSED FIVE-YEAR CAPITAL PROGRAMME AND FINANCING – 2019/20 TO 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
COMMUNITY SERVICES COMMITTEE SCHEMES						
Play Area Improvements	40,000	40,000	40,000	45,000	45,000	210,000
Replacement of Refuse Wheelie Bins	10,000	10,000	10,000	10,000	11,000	51,000
Replacement of CCTV System	60,000					60,000
Replacement of Refuse Collection Vehicle VU60 HNX	227,000					227,000
Replacement of Paper Collection Vehicle VU06 TKN	50,000					50,000
Replacement Gang Mower (rvbc009)	30,000					30,000
Replacement Mini Tractor with Bucket for PN05 BYS	22,000					22,000
Replacement of JCB Gravemaster Digger (rvbc005)	29,000					29,000
Automatic Access Barrier - Edisford River Bank	14,000					14,000
Roefield Artificial Grass Pitch Proposal	1,430,440					1,430,440

PROPOSED FIVE-YEAR CAPITAL PROGRAMME AND FINANCING – 2019/20 TO 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Castle Keep Lime Repointing Works and Repairs (Subject to External Funding)		311,320				311,320
Installation of a Second Parking Deck on Chester Avenue Car Park		1,230,000				1,230,000
Replacement of Refuse Collection Vehicle VN12 KYK		232,000				232,000
Replacement of Pickup Ford Ranger PK60 HKN		20,120				20,120
Replacement High Top Transit Van for PJ63 WUC		20,000				20,000
Replacement of Refuse Collection Vehicle VU62 HXK			232,000			232,000
Replacement of Refuse Iveco Tipper (PO60 AYK)				40,600		40,600
Replacement of Hustler Trimstar Mower x 2 (rvbc017 and rvbc018)				14,000		14,000
Replacement of John Deere Mower 4x4 (PE15 YVK)				21,500		21,500
Replacement of John Deere Mower (PN07 OWU)				20,000		20,000
Ribblesdale Pool Filter and Pipework Replacement				44,000		44,000

PROPOSED FIVE-YEAR CAPITAL PROGRAMME AND FINANCING – 2019/20 TO 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Replacement Football Goals				15,000		15,000
Replacement of Refuse Collection Vehicle (PJ63 JZO)				245,000		245,000
Replacement of High Top Transit Van (PK06 HKA)				20,000		20,000
Salthill Depot Garage – Supply and Install New Vehicle Brake Tester				61,900		61,900
Salthill Depot Garage – Replace roller shutter doors and rewire garage				25,000		25,000
Replacement of Pay and Display machines				123,800		123,800
Roof Renewal and Upgrade to Parks Store Building in Castle Grounds					65,300	65,300
Refurbishment of Bowling Green Café in Castle Grounds					48,000	48,000
Longridge Depot 'Ambulance' Shed Refurbishment					42,900	42,900
Replacement of Refuse Collection Vehicle PK63 JZP					249,000	249,000
Replacement of Concrete Bays to Rear of Depot					25,600	25,600

PROPOSED FIVE-YEAR CAPITAL PROGRAMME AND FINANCING – 2019/20 TO 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Replacement Kubota Mower PO15 HYJ					21,000	21,000
Total Community Services Committee	1,912,440	1,863,440	282,000	685,800	507,800	5,251,480

ECONOMIC DEVELOPMENT COMMITTEE SCHEMES						
Gateway Signs for Whalley, Longridge and Clitheroe	20,000					20,000
Total Economic Development Committee	20,000	0	0	0	0	20,000

HEALTH AND HOUSING COMMITTEE SCHEMES						
Disabled Facilities Grants (external funding expected to cover all spend - TBC)	320,000	320,000	320,000	320,000	320,000	1,600,000
Landlord/Tenant Grants	50,000	50,000	50,000	50,000	50,000	250,000
Clitheroe Market Improvements (Moved from 2018/19)	175,000					175,000
Replacement of Pest Control Van (PK13 FJP)		13,500				13,500
Replacement of Dog Warden Van (PE64 EYC)			13,500			13,500

PROPOSED FIVE-YEAR CAPITAL PROGRAMME AND FINANCING – 2019/20 TO 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Drainage to New Section of Clitheroe Cemetery					68,700	68,700
Joiners Arms Roof Renewal					43,900	43,900
Total Health and Housing Committee	545,000	383,500	383,500	370,000	482,600	2,164,600

**PLANNING AND DEVELOPMENT COMMITTEE
SCHEMES**

Replacement of Plotter/Copier in the Planning Section	14,500					14,500
Total Planning and Development Committee	14,500	0	0	0	0	14,500

POLICY AND FINANCE COMMITTEE SCHEMES

Re-design of the Corporate Website	30,000					30,000
Corporate Firewall	15,000					15,000
Committee Administration IT System	20,100					20,100
Replacement PCs	47,100					47,100

PROPOSED FIVE-YEAR CAPITAL PROGRAMME AND FINANCING – 2019/20 TO 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Lift Replacement at Council Offices	84,050					84,050
Dewhurst Road, Langho – Resurfacing Works				68,500		68,500
Brookfoot Footbridge, Ribchester – Replacement of Bridge				110,000		110,000
ICT Infrastructure Refresh				180,000		180,000
Revenues and Benefits Replacement Server					27,400	27,400
Cyber Security Solutions Refresh					58,300	58,300
Replacement Air Conditioning Units in Server Room					10,000	10,000
E-Recruitment System					22,500	22,500
Total Policy and Finance Committee	196,250	0	0	358,500	118,200	672,950
TOTAL PROPOSED CAPITAL PROGRAMME 2019/20 TO 2023/24	2,688,190	2,246,940	665,500	1,414,300	1,108,600	8,123,530

PROPOSED FIVE-YEAR CAPITAL PROGRAMME AND FINANCING – 2019/20 TO 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
FINANCING						
Disabled Facilities Grant Funding	-320,000	-320,000	-320,000	-320,000	-320,000	-1,600,000
VAT Shelter Earmarked Reserve	-156,880	-90,120	-50,000	-50,000	-50,000	-397,000
Capital Earmarked Reserve	-7,520	0	0	0	-358,082	-365,602
New Homes Bonus Earmarked Reserve	-313,600	-272,000	-272,000	0	-306,637	-1,164,237
Potential External Funding for Castle Keep Repointing	0	-222,240	0	0	0	-222,240
Invest to Save Earmarked Reserve	0	0	0	0	0	0
Planning Earmarked Reserve	-14,500	0	0	0	0	-14,500
ICT Renewals Earmarked Reserve	-54,100	0	0	-87,641	0	-141,741
Vehicle and Plant Renewal Earmarked Reserve	0	0	0	-37,500	-13,530	-51,030
Fleming VAT Earmarked Reserve	-30,000	0	0	-38,272	-5,451	-73,723

PROPOSED FIVE-YEAR CAPITAL PROGRAMME AND FINANCING – 2019/20 TO 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Wheeled Bins Earmarked Reserve	-10,000	-10,000	-10,000	-10,000	-11,000	-51,000
Business Rates Growth Earmarked Reserve	-1,522,540	0	0	-474,387	0	-1,996,927
Rural Services Delivery Grant Earmarked Reserve	-84,050					-84,050
Usable Capital Receipts	0	-102,580	-13,500	-396,500	0	-512,580
Flexible Homelessness Support Grant	0	0	0	0	-43,900	-43,900
Borrowing	-175,000	-1,230,000	0	0	0	-1,405,000
TOTAL PROPOSED FINANCING 2019/20 TO 2023/24	-2,688,190	-2,246,940	-665,500	-1,414,300	-1,108,600	-8,123,530

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 5 FEBRUARY 2019
 title: OVERALL REVENUE BUDGET 2019/20
 submitted by: DIRECTOR OF RESOURCES
 principal author: JANE PEARSON

1 PURPOSE

- 1.1 To approve the revised revenue budget for 2018/19.
- 1.2 To consider and recommend a revenue budget and council tax requirement for 2019/20 to Full Council on 5 March 2019.

2 CURRENT YEAR'S REVISED BUDGET 2018/19

Background

- 2.1 The revised budget for 2018/19 has now been prepared. Committees, during this cycle, have reviewed their estimates and the reasons for any significant changes.
- 2.2 The Original Estimate initially allowed 2% for both pay and price increases. After the detailed estimates had been prepared the national pay award was settled which increased the national paybill by 2.707% in 2018/19 and 2.802% in 2019/20 with substantial increases to the lower payscales. We therefore added a £75,000 contingency to our budget to cover any increases above the 2% initially allowed.
- 2.3 The revised budget is now looking as if there will be an reduction of £116k in how much we need to take from general fund balances to balance our budget. This is shown in the summary below.

Committee	Original 2018/19 £	Revised 2018/19 £	Difference £
Planning and Development	461,540	412,750	-48,790
Community Services	3,764,020	3,887,570	123,550
Economic Development	270,240	275,340	5,100
Health and Housing	976,510	957,080	-19,430
Policy and Finance	1,930,790	2,015,260	84,470
Total of Committees	7,403,100	7,548,000	144,900
Capital Adjustments:			
Depreciation	-892,620	-929,130	-36,510
Minimum Revenue Provision	130,560	129,840	-720
Total Expenditure	6,641,040	6,748,710	107,670
Other Items	-2,953,071	-3,100,590	-147,519
Less Added to/(taken from) Earmarked Reserves	1,416,194	1,339,693	-76,501
General Balances	-170,738	-54,388	116,350
Net Expenditure	4,933,425	4,933,425	0

Parishes	435,183	435,183	0
Budget Requirement	5,368,608	5,368,608	0

Changes in Expenditure

- 2.4 Committee expenditure has increased by £145k. However this is before appropriations to and from earmarked reserves of which there are many.
- 2.5 Service Committees have considered their detailed reports which give more information on the forecast variations between the original estimate and the revised estimate, however the **main reasons** are shown in Annex 1.

Movement in Business Rate Income

- 2.6 A significant element of our income is Business Rate Growth. Our latest estimate of Ribble Valley's General Fund share of Business Rate income for the current year predicts our levy will be as follows;

	2018/19 OE £	2018/19 Final NDR1 £	2018/19 RE £
Calculation of Business Rate Retained Income			
Billing Authority NNDR Income	14,622,354	14,622,354	14,622,354
LA share of NNDR income	5,848,942	5,848,942	5,848,942
Less Tariff	4,147,262	4,147,262	4,147,262
	1,701,680	1,701,680	1,701,680
Baseline Funding Level	1,302,823	1,302,823	1,302,823
Retained Rates Income before levy	398,857	398,857	398,857
Less Levy (10% paid to LCC)	-64,147	-52,737	-71,647
Section 31 Grant:			
Multiplier Cap	39,890	43,879	49,831
SBRR	821,568	823,245	836,775
SBRR where 2nd prop occupied	7,172	7,186	6,826
Rural Rate Relief	8,714	8,732	8,040
Supporting Small Businesses (SSB)	6,125	6,138	6,021
Pub Relief	20,417	20,459	18,574
Discretionary scheme - reval relief	21,233	21,277	18,758
Add Section 31 Grant	925,119	930,916	944,825
Add Renewable Energy	81,921	81,921	93,921
Business Rate Income to General Fund	1,341,750	1,358,957	1,365,956
Surplus/(Deficit) brought forward	-25,165	-25,165	-25,165
Total Business Rate Income	1,316,585	1,333,792	1,340,791
Used to fund revenue budget	-475,514	-475,514	-475,514
Remaining to add to earmarked reserve	841,071	858,278	865,277

- 2.7 As a member of the current Lancashire Business Rate Pool we benefit from retaining a levy which would otherwise be payable to the Government. In 18/19 we estimate this will be £644,823.
- 2.8 When setting the original budget we agreed to use £475,514 of our business rate income to fund the revenue budget. Based on the latest position we expect to receive £1.341m (including our retained levy), therefore the difference of £865k will be added to the business rate growth reserve.
- 2.9 This is after allowing for the deficit carried forward from 2017/18 of £25,165. Some elements of the rate retention scheme are calculated on an accruals basis ie the levy and section 31 grant where as others (such as income) are 'fixed' at the start of the year based upon our NNDR1 return.

Movement in Earmarked Reserves

- 2.10 Annex 2 shows the forecasted transfers to and from earmarked reserves compared with the restated original estimate. In summary the net position is that we anticipate adding £76k less to earmarked reserves in the current year than originally forecasted.

Overall Changes

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

	Difference £000
Committees	145
Depreciation	-37
Other Items	-148
Use of Earmarked Reserves	-76
Net change	-116

- 2.12 This shows that the Council is better off by **£116k** compared with the original estimate. Therefore instead of taking **£170k** from general fund balances at the end of the year, based on these revised estimates we would be taking **£54k** from balances.

3 THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2019/20

Provisional Grant Settlement

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

	2019/20 £m
Settlement Funding Assessment	1.440600
of which:	
Revenue Support Grant	0
Baseline Funding Level	1.440600
New Homes Bonus	1.643759

Rural Services Delivery Grant

- 3.2 The Government previously announced a considerable increase in support for the most sparsely populated rural areas by way of a Rural Services Delivery Grant.
- 3.3 For Ribble Valley we received £107,921 in 2018/19 and were expecting this amount to reduce to £86,603 for 2019/20. The Government however have announced that they will reinstate the level of the grant to the same as the current year. We will therefore gain by £21,318.
- 3.4 From 2017/18 onwards it was agreed this funding will be used to support our net revenue expenditure.
- 3.5 We expect to receive notification of the final settlement figures in early February. We will report our final figures to you at your meeting if possible.

Negative Revenue Support Grant (RSG)

- 3.6 The Government have announced that negative RSG will be eliminated via forgone business rate receipts. This is pleasing news for Ribble Valley as our negative RSG for next year was set to be £109k.

Future Years Government Funding

- 3.7 2019/20 is the final year of the four-year settlement.
- 3.8 The Government have launched two important consultations which will both consider future local government funding;
- Review of local authorities' relative needs and resources (Fair Funding Review)
 - Business Rates Retention Reform
- 3.9 The closing date for both of these consultation papers is 21 February 2018 and it is recommended that you delegate to me in consultation with the Budget Working Group to submit a response on behalf of this Council.

Council Tax Referendum Criteria

- 3.10 As set out in the previous report a referendum must be held where an authority's Council Tax increase is higher than the principles proposed annually by the Secretary of State and approved by the House of Commons.
- 3.11 For 2019/20 the Government have announced the core referendum thresholds:
- District councils 3% or £5 (on band d charge) whichever is higher.
 - County councils 3% with an extra 2% flexibility for social care subject to a maximum Adult Social Care Precept of 6% between 2017/18 – 2019/20 and increases being no more than 2% in 2019/20.
 - Police & Crime Commissioner £24 (on band d charge).
 - Fire & Rescue 3%.
- 3.12 It is important when deciding on our council tax level for next year to consider the amount of income any change will generate. For indicative purposes the table below shows the increased income available to the Council for next year for a both a council tax freeze and a £5 increase.

- 3.13 A £5 increase in our share of the Council Tax would result in a Band D amount of £155.69 (an increase of 3.3%). This would generate £116,045 each year in extra revenue. In addition the increase in our taxbase generates a further £46,262.

	Current Council Tax £	Council Tax increased by £5.00 £
Band D Council Tax	150.69	155.69
Taxbase for 2019/20	23,209	23,209
= Council Tax Income 2019/20	3,497,364	3,613,409
Council Tax income 2018/19	3,451,102	3,451,102
Extra income from Council Tax	46,262	162,307
Of which due to increase in taxbase	46,262	46,262
Of which due to increase in council tax charge	0	116,045

4 MAJOR INCOME SOURCES

Council Tax

- 4.1 I have calculated the council taxbase in accordance with proper practices. Our council taxbase for 2019/20 is 23,209. This compares with the current taxbase of 22,902 in 2017/18.
- 4.2 A breakdown of the calculation showing the taxbase by parish is included in Annex 5.
- 4.3 Our current Band D tax is £150.69 and has only been increased twice since 2010/11. We are in the bottom quartile of all district councils at 38th out of 201. Across Lancashire the position in 2018/19 is as follows.

	Average council tax for 2018/19 Band D £
LANCASHIRE	
Ribble Valley	150.69
Chorley	186.37
Wyre	193.94
West Lancashire	197.50
Fylde	201.61
South Ribble	214.61
Lancaster	220.36
Hyndburn	240.52
Pendle	257.64
Rossendale	266.17
Burnley	291.50
Preston	305.37

4.4 As shown in paragraph 3.12 above the maximum income from council tax we can rely on for 2019/20 is £3,613,409 based upon a £5 increase in Band D. If you were to decide to increase our Band D council tax, you can see from the above table, we would still have the lowest in Lancashire by a considerable margin.

New Homes Bonus Scheme (NHB)

4.5 The local government grant settlement confirmed no changes to the New Home Bonus Scheme for 2019/20. i.e.

- the number of years for which legacy payments are made will remain at 4 years from 2018/19; and
- the baseline for housing growth set initially at 0.4% for 2017/18 will remain at this level

4.6 New Homes Bonus grant will continue to be shared 80:20 between district and county councils in two tier areas. It is paid as an unringfenced grant, which means local authorities are free to decide how to spend it. The NHB can be spent on either revenue or capital, or placed in a local authority's reserves.

4.7 Our provisional total allocation for next year is £1,643,759 compared with £1,575,908 for the current year.

4.8 As referred to in the previous report, we have challenged the calculation of our allocation with regards to affordable homes and also the impact of downbandings and hoping this will be successful.

4.9 We currently commit £1.105m of new homes bonus each year to fund the revenue budget. As you are aware we also use some of our allocation to support our capital programme. The capital programme report also on this agenda sets out how much we intend to use over the next 5 years. The table below shows our allocation compared with total usage agreed to date.

Use of New Homes Bonus monies												
Relates to:	Received in year											
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
2011/12	62,046	62,046	62,046	62,046	62,046	62,046						
2012/13		117,599	117,599	117,599	117,599	117,599						
2013/14			188,053	188,053	188,053	188,053	188,053					
2014/15				227,108	227,108	227,108	227,108					
2015/16					373,810	373,810	373,810	373,810				
2016/17						398,268	398,268	398,268	398,268			
2017/18							389,751	389,751	389,751	389,751		
2018/19								414,079	414,079	414,079	414,079	
2019/20									441,661	441,661	441,661	441,661
2020/21										?	?	?
2021/22											?	?
2022/23												?
	62,046	179,645	367,698	594,806	968,616	1,366,884	1,576,990	1,575,908	1,643,759	1,245,491	855,740	441,661
Allocated to date:												
Revenue base	60,000	60,000	60,000	333,780	676,065	786,961	793,079	1,105,000	1,105,000	1,105,000	1,105,000	1,105,000
Revenue in year						6,000						
Capital	0	0	100,000	85,000	35,662	57,749	175,618	201,090	313,600	272,000	272,000	0
	60,000	60,000	160,000	418,780	711,727	850,710	968,697	1,306,090	1,418,600	1,377,000	1,377,000	1,105,000
Adjustment			-10,029	10,029								
Unallocated	2,046	119,645	217,727	165,997	256,889	516,174	608,293	269,818	225,159	-131,509	-521,260	-663,339
Bal C/fwd	2,046	121,691	339,418	505,415	762,304	1,278,478	1,886,771	2,156,589	2,381,748	2,250,239	1,728,979	1,065,640

Business Rates

- 4.10 We have now completed our NNDR1 return which we will submit to the Government by 31 January 2019. Based on the new Lancashire Business Rate Pilot Pool arrangements we anticipate our share of business rates for next year will be as follows:

	2019/20 as per NNDR1 £
Calculation of Business Rate Retained Income	
Billing Authority NNDR Income	14,976,273
LA share of NNDR income	8,386,713
Less Tariff	6,364,375
	2,022,338
Baseline Funding Level	1,440,601
Retained Rates Income	581,737
<u>Less Payments under pilot pool arrangements</u>	
5% of extra growth contribution to risk reserve under new pilot arrangements	-29,555
25% of extra growth contribution to strategic growth fund under new pilot arrangements	-147,776
<u>Section 31 Grant:</u>	
Multiplier Cap	73,288
SBRR	1,190,654
SBRR loss of supplementary multiplier income	42,201
SBRR where 2nd prop occupied	9,659
Rural Rate Relief	11,624
Supporting Small Businesses (SSB)	7,702
Pub Relief	
Discretionary scheme	12,042
Retail Relief	289,125
Add Section 31 Grant	1,636,295
Add Renewable Energy	93,820
Total Business Rate Income to General Fund	2,134,521
Surplus/(Deficit) brought forward	224,211
Total Business Rate Income	2,358,732
Used to fund revenue budget	-675,514
Remaining to add to earmarked reserve	1,683,218

- 4.11 We have obviously had to make assumptions about the potential of successful appeals, bad debts and also growth in our business rates base.

- 4.12 As a member of the Lancashire Business Rate Pilot Pool our tier split will increase from 40% to 56% and we will make payments of 5% and 25% of our extra growth to a risk reserve and a strategic growth fund respectively.
- 4.13 Our estimates suggest that the total income for next year will be £2,358,732 (compared with £1,340,791 in 2018/19). We will use £675k next year to fund our revenue budget. If approval is given for the Edisford All Weather Pitch capital scheme then this will be funded from business rate growth.

Summary of Business Rate Growth received and used each year							
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	actual	actual	actual	actual	actual	estimate	estimate
	£	£	£	£	£	£	£
Business Rate Growth	263,276	364,973	612,969	375,742	1,400,964	1,340,791	2,358,732
Used to support Revenue Budget	-47,165	-262,926	-262,926	-262,926	-275,514	-475,514	-675,514
Used to support Capital Programme						-95,406	-1,522,540
Transferred to general fund balances	-139,311	0	0	0	0	0	0
Surplus/deficit for year	76,800	102,047	350,043	112,816	1,125,450	769,871	160,678
Of which:							
Added to volatility reserve	76,800	102,047	350,043	112,816	904,390	0	0
Added to growth reserve	0	0	0	0	221,060	769,871	160,678
	76,800	102,047	350,043	112,816	1,125,450	769,871	160,678
<u>Business Rate Volatility Reserve</u>							
Opening Balance b/fwd	135,904	212,704	314,751	664,794	777,610	1,682,000	1,682,000
Closing Balance c/fwd	212,704	314,751	664,794	777,610	1,682,000	1,682,000	1,682,000
<u>Business Rate Growth Reserve</u>							
Opening Balance b/fwd					0	221,060	990,931
Closing Balance c/fwd					221,060	990,931	1,151,609

- 4.14 The volatility reserve stands at £1.682m. This provides a safety net protection which we have had to forgo as a pool member at 92.5% of our business rates baseline though the new pilot pool will have a 95% safety net overall. We are now in a position to use our business rate income in year to contribute more to fund both the revenue budget and capital programme.

5 COLLECTION FUND

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

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

- 5.2 The Business Rates Retention Scheme is also operated via our Collection Fund and therefore we also now have a surplus or deficit in respect of Business Rates at the end of each financial year.
- 5.3 I have already assessed the potential surplus/deficit on the collection fund. I estimate the Collection Fund will produce an overall surplus of £1,179,278 this year. This consists of a surplus for council tax of £618,752 and a surplus in respect of Business Rates of £560,526.
- 5.4 The Council Tax surplus will be shared amongst all the major precepting authorities. Our share of the surplus is £61,419.
- 5.5 The Business Rates surplus will be shared between the Government, Lancashire County Council, Lancashire Combined Fire Authority and ourselves in 2019/20. Our share of the surplus is £224,211.
- 5.6 A statement showing the Collection Fund is attached at Annex 3.

6 REVENUE BUDGET 2019/20

Base Budget Position

Introduction

- 6.1 Committee budgets include provision for pay and price increases of 2.0%. Some savings have been identified across committee budgets and these have been presented within the budget reports. The Budget Working Group recommended that any growth items would have to be funded from identified savings. Fees and charges have also been reviewed by committees and have been increased by at least the rate of inflation where feasible. All committees have now considered their draft budgets for next year.

Provisional Base Position

- 6.2 The provisional base position for next year as submitted to service committees is shown below, compared with the original budget for 2018/19.

Committee	Original 2018/19 £	Original 2019/20 £	Difference
Planning and Development	461,540	392,030	-69,510
Community Services	3,764,020	3,971,610	207,590
Economic Development	270,240	288,990	18,750
Health and Housing	976,510	1,002,780	26,270
Policy and Finance	1,930,790	2,239,350	308,560
Total of Committees	7,403,100	7,894,760	491,660
Capital Adjustments:			
Depreciation	-892,620	-1,004,630	-112,010
Minimum Revenue Provision	130,560	126,062	-4,498
Total Expenditure	6,641,040	7,016,192	375,152
Other Items	-2,953,071	-4,116,407	-1,163,336
Added to/(taken from) Earmarked Reserves see Annex 4	1,416,194	2,137,675	721,481
Use of General Balances	-170,738	?	170,738
Net Expenditure	4,933,425	5,037,460	104,035
Less Funding			
Business Rates Baseline	-1,302,823	-1,440,601	-137,778
Revenue Support Grant	-109,149	0	109,149
Council Tax Surplus	-70,351	-61,419	8,932
Council Tax income (current Band D)	-3,451,102	-3,497,364	-46,262
Total Funding	-4,933,425	-4,999,384	-65,959
Budget Gap	0	38,076	

Committee Expenditure

- 6.3 As shown Committee expenditure is set to increase by £492k. The reasons for this, again, are varied and have been reported to service committees in the budget reports. In summary the main reasons for this are shown in Annex 5.

Capital Adjustments

- 6.4 The total depreciation we are taking out of our committee estimate is increasing from £893k in 2018/19 to £1.004m in 2019/20. This reflects the increase in capital charges included in committee estimates due to the implementation of schemes in the capital programme.

Movement of Other items

- 6.5 When we prepared our original estimate for 2018/19 we anticipated 'other items' would reduce our net budget by £2,953,071 however our draft budget for next year anticipates these will reduce our budget by £4,116,407. This is a difference of £1,163k and can be explained below.

Movement on Other Items	£000
More New Homes Bonus to be received	-70
More Business Rate Income to be received	-1,025
Extra interest receipts anticipated	-80
Rural Services Delivery Grant (rolled into Business Rate Baseline)	107
New Levy Account Surplus payment	-20
Contingency for pay award in 2018/19 not needed in 2019/20	-75
	-1,163

Major Changes not included in Committee Budgets for 2019/20

- 6.6 As you are aware we have seen significantly less income from the sale of paper and card than the amount originally budgeted for (£47,600) in the current year. Whilst we have reduced the revised estimate for 2018/19 by £38,650 to £8,950, we have left the 2019/20 base budget at its previous level.
- 6.7 Community Committee at its meeting on 8/1/19 considered a report which stated that LCC believed they hold the exclusive rights as the Disposal Authority for all material collected on their behalf. They queried why income for paper and card has not been passed on to them since 1 April 2018 (when cost sharing ended). They were however prepared to consider sharing the income 50:50. Community Committee agreed to this arrangement.
- 6.8 Hence assuming income in 2019/20 is at broadly similar to that received in the current year (£9k) and that half will be passed to LCC, then it is recommended that we reduce the base budget to a net amount of £4,550. This will be a reduction of £44,300. This budget will need to be kept under review.
- 6.9 We also need to add to our budget the revenue implications of any further new capital schemes you may have agreed as part of the previous agenda item regarding the 5 year capital programme. Two new schemes proposed for 2019/20 have revenue implications – these are;
- Edisford All Weather Pitch £8,120
 - Committee Administration IT system £3,400

New Budget Gap

- 6.10 Assuming you agree the above capital schemes and we bring in the reduction in income for paper and card, the new budget gap is £93,896.

7 BUDGET WORKING GROUP

Background

- 7.1 The Budget Working Group has again met frequently throughout the year to consider the Council's financial position.
- 7.2 Meetings have inevitably focussed on our business rate income, new homes bonus and council tax income as these are now our key income streams and will be in the future. The Budget Working Group considered the overall budget position for next year and the shortfall of £93,896.

Budget Recommendations

1. How much of general fund balances should be used to finance the revenue budget shortfall?

The BWG considered this and recommend that the full shortfall of £93,896 can be met from general fund balances. This is below the £250k level which has been used previously.

2. Examination of how much business rates growth should we use to fund the revenue budget.

We have now completed our draft NNDR1 return for 2019/20. **The BWG recommend that, in line with the budget forecast, we increase the amount used to fund our revenue budget from £475k to £675k.** We will also be using £1.522m of business rate growth to fund the Edisford Artificial Pitch scheme and another 4 schemes in 2019/20 as part the capital programme. (depending on approval in the previous report on your agenda).

3. How much New Homes Bonus we can use to support the revenue budget – To date we use our New Homes Bonus allocation to support the revenue budget (currently £1.105m) and also to provide much needed funding for the capital programme. The Government have announced our allocation of £1.644m and that there will be no changes to the scheme next year

The BWG recommend using £1.105m of our total NHB to fund the revenue budget. We will also be using £314k to fund schemes in 2019/20 as part of the capital programme.

4. Whether our council tax should be increased for 2019/20. – The Budget Working Group considered the level of our council tax, at £150.69 for a Band D property, and the budget pressures facing the Council. They also considered the amount of extra income a £5 increase in our Band d tax would generate.

The BWG recommend a Council Tax freeze for 2019/20.

7.4 The above changes result in a balanced budget as shown below:

Committee	Original 2019/20 £
Total of Committees after capital adjustments	7,016,192
Add Budget changes since draft reports	55,820
Total Expenditure	7,072,012
Other Items	-4,116,407
Added to/(taken from) Earmarked Reserves	2,137,675
Use of General Balances (balancing figure)	-93,896
Net Expenditure	4,999,384
Less Funding	
Business Rates Baseline	-1,440,601
Council Tax Surplus	-61,419
Council Tax Income	-3,497,364
Total Funding	-4,999,384
Budget Gap	0

8 ROBUSTNESS OF THE ESTIMATES AND BALANCES AND RESERVES

Introduction

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

Robustness of the Budget

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

Budget Area	Measures Taken
Future/Current pressures	<p>Ongoing cost of Planning Appeals:</p> <ul style="list-style-type: none"> • This includes the cost of defending appeals by our own staff and also the engagement of consultants and barristers to act on our behalf. There are a number of appeals which are current. • This also includes costs awarded against the Council by the Planning Inspector at appeal stage, both settled and outstanding. There may be future cost decisions against the Council when defending planning appeals. <p>Business Rates Due to the volatility and also the complexity of how the Business Rates Retention scheme works and further uncertainties surrounding issues such as appeals, growth estimates, I recommend not relying on the full amount of anticipated income for next year. See paragraph 4.12.</p> <p>New Homes Bonus Our allocation for next year will be £1.644m. We have committed using £1.105m each year to support revenue. In addition the 5 year capital programme, if approved, relies on using some of our NHB.</p> <p>Considerable changes were announced in 2016 with regard to the introduction of a baseline level of growth and a reduction in the number of years of legacy payments. Indeed further changes may be made in future years, particularly around whether payments should be allowed for homes built following a planning appeal. The NHB will also need to be kept under review as it forms a major element of our funding for both our revenue and capital budgets.</p> <p>Impact of Brexit The financial implications for the Council of the UK leaving the European Union are unknown at this stage however we will keep this under review.</p> <p>Revenue Impact of Capital Programme The revenue implications of the capital programme for 2019/20 have been built into the revenue budget in particular the budget assumes the All Weather Pitch scheme is complete and operational by September 2019.</p> <p>Income Streams The income share from the VAT shelter continues to decline. This funding has been used to date to support the capital programme and not been relied upon to fund</p>

Budget Area	Measures Taken
	the revenue budget.
Consideration of Inflation and Interest Rates	<p>Inflation has been added to appropriate budgets at 2.0% for price increases. The amount agreed for the second year of the pay award has also been factored into our estimates. Nationally this averages 2.802%. Our budget has been prepared based on actual salary increases for next year.</p> <p>The prospects for interest rates are regularly reviewed. We anticipate a small increase in interest rates next year; however we also plan to use significant levels of our earmarked reserves to fund the capital programme.</p> <p>Obviously the prospects for inflation and interest rates will need to be closely monitored as national and international events unfold.</p>
Savings Considerations	The budget reports presented to each service committee included identified savings for 2019/20. These will be monitored closely throughout the year to ensure they are achieved.
Use of reserves and balances	Careful consideration is given to the use of reserves and balances when setting the budget to ensure that future budgets are sustainable.

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

Adequacy of Reserves

8.4 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

8.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued Local Authority Accounting Panel (LAAP) bulletin 99 in July 2014 regarding Local Authority Reserves and Balances. This replaced bulletin 77 and gives important guidance to local authorities.

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

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

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

General Fund Balances

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

	£000
Opening Balance 1 April 2018	2,533
Estimated Amount to be taken from Balances in 2018/19	-54
Estimated Balances in Hand 31 March 2019	2,479

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

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

8.11 Bearing this in mind and our previous good record in achieving savings in the revenue budget as the year progresses my judgement is that in 2019/20 the maximum amount to be used to fund recurring expenditure should be no more than £250,000. This is based upon our sound system of financial control and our recent track record of underspending during the year.

Earmarked Reserves

8.12 Annex 4 shows the Council’s earmarked reserves together with any movements forecast for 2018/19 and the 2019/20 financial year.

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

9 BUDGET WORKING GROUP RECOMMENDED REVENUE BUDGET 2019/20

- 9.1 If you agree to the Budget Working Group's recommendations, the resultant budget for 2019/20 is set out below. This would still leave £2.385m in general fund balances at the end of March 2020.

Committee	Original 2018/19 £	Original 2019/20 £
Planning and Development	461,540	392,030
Community Services	3,764,020	4,024,030
Economic Development	270,240	288,990
Health and Housing	976,510	1,002,780
Policy and Finance	1,930,790	2,242,750
Total of Committees	7,403,100	7,950,580
Capital Adjustments		
Less Depreciation (included in above)	-892,620	-1,004,630
Add Minimum Revenue Provision (MRP)	130,560	126,062
Total Expenditure	6,641,040	7,072,012
Other Items		
External Interest - Payable	7,030	6,530
Interest - Earned	-20,000	-100,000
Rural Services Delivery Grant	-107,921	0
Contingency for pay award	75,000	0
Levy Account Surplus	0	-20,446
New Homes Bonus		
New Homes Bonus Allocation Received	-1,573,388	-1,643,759
Business Rates		
Retained Rates Income	-398,857	-581,737
Renewable Energy	-81,921	-93,820
Section 31 Grant for Business Rates	-930,916	-1,636,295
Levy payable to LCC	52,737	0
Pilot Pool Payments – 5% to risk reserve	0	29,555
– 25% to strategic growth fund	0	147,776
Share of Business Rates Deficit/(Surplus)	25,165	-224,211
Transfer From/To Various Earmarked Reserves (Annex 4)	1,416,194	2,137,675
Net Expenditure	5,104,163	5,093,280
Adjustment to Balances to Get to Agreed Budget	-170,738	-93,896
Agreed budget for 2018/19	4,933,425	
Recommended budget for 2019/20		4,999,384

10 BUDGET AND COUNCIL TAX REQUIREMENT

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

BUDGET AND COUNCIL TAX REQUIREMENT	
	£
RVBC Net Budget	4,999,384
Plus Parish Precepts (Annex 6)	450,764
	5,450,148
Less - Settlement Funding Assessment	-1,440,601
Net Requirement Before Adjustments	4,009,547
Council Tax Surplus	-61,419
Council Tax Requirement (Including Parishes)	3,948,128

11 UPDATED THREE YEAR BUDGET FORECAST

- 11.1 I have updated the three year forecast assuming the above budget for 2019/20 is agreed.
- 11.2 The forward projections included are based upon our core base budget and capital programme. As you will appreciate these will change as we progress through 2019/20 to reflect the very latest income and expenditure projections.
- 11.3 A key impact on our future budget will be the outcome of the Fair Funding Review and the changes arising from Business Rate Retention Reforms in 2020/21.
- 11.4 With regards to New Homes Bonus, I have assumed continuing to rely on using £1.105m to fund the revenue budget.
- 11.5 With regards to Business Rates, the BWG recommended using an extra £400k for each of the three years 18/19, 19/20 and 20/21. However it was recognised that this amount needed to be profiled over the period as follows; 18/19 an extra £200k, 19/20 an extra £400k and 20/21 an extra £600k, taking the average amount used to fund the revenue budget to £676k. For the new third year of the forecast ie 21/22 I have, at this stage, assumed we will rely on the same level, ie £676k.
- 11.6 In terms of council tax levels I have included for **illustration purposes** the maximum allowed increase each year. Clearly the decision on our council tax level for will be taken as part of each year's budget setting round. It is worth noting that the Government have indicated, in our Spending Power figures, we will be able to increase our council tax by £5 each year.
- 11.7 I have assumed the council taxbase will increase by 1% in each year of the forecast.
- 11.8 Our MTFs is the Council's key financial planning document. It aims to provide the Council with an assurance that our spending plans are affordable over the Medium Term (3 year

period). The MTFS will now be updated and reported to the Budget Working Group to consider in detail our future budget pressures

11.9 These assumptions result in a budget forecast for the next three years of:

Three Year Budget Forecast

	2019/20		2020/21		2021/22		2022/23	
	£		£		£		£	
Net Expenditure	7,010,306		7,294,869		7,486,756		7,682,611	
Interest Receipts	-100,000		-75,000		-75,000		-75,000	
Use of Superannuation reserve	-36,512		-36,512		-36,512		-36,512	
Rural Services Grant	0		0		0		0	
Use of Business Rate Growth	-675,514		-875,514		-675,514		-675,514	
Use of New Homes Bonus	-1,105,000		-1,105,000		-1,105,000		-1,105,000	
Use of Balances	-93,896		-250,000		-250,000		-250,000	
Reductions in Expenditure Required	0		162,302		-74,713		-112,962	
Budget Requirement	4,999,384		5,115,144		5,270,017		5,427,623	
Core Government Funding								
Business Rates Baseline	1,440,601		1,440,601		1,440,601		1,440,601	
Coll Fund Surplus/(Deficit)	61,419		25,000		25,000		25,000	
Precept	3,497,364		3,649,543		3,804,416		3,962,022	
Tax Base	23,209		23,441	1%	23,676	1%	23,912	1%
Band D Council Tax	150.69	0%	155.69	£5 max	160.69	£5 max	165.69	£5 max
Effect of above on General Fund Balances								
General Fund Balances	2019/20		2020/21		2021/22		2022/23	
	£		£		£		£	
Brought Forward	2,479,315		2,385,419		2,135,419		1,885,419	
Used	-93,896		-250,000		-250,000		-250,000	
Carried Forward	2,385,419		2,135,419		1,885,419		1,635,419	

11.10 The above forecast shows that if our estimates are correct we will have a budget surplus in 2020/21 of £162k though this assumes using £250k from balances. There is a forecast gap in 2021/22 of £75k and £113k in 2022/23. **However I must stress that the outcome of the Fair Funding Review and the implications of Business Rate Retention Reforms will be crucial in terms of our future budget forecast and therefore to some extent the forecast beyond 2019/20 is impossible to predict with any certainty.**

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

12 ILLUSTRATIVE TOTAL COUNCIL TAX AT BAND D

12.1 Finally I have shown below our anticipated total Band D council tax based on the latest information. I must stress these are indicative figures at this stage.

	Meeting Date to agree council tax	Actual Band D Council Tax 2018/19 £	Estimated Band D Council Tax 2019/20 £	change
Ribble Valley		150.69	150.69	0
Parishes (average)		19.00	19.42	2.2%
Lancashire County Council	14 Feb 19	1,294.92	1346.59	3.99%*
Police and Crime Commissioner for Lancashire	?	177.45	201.45	13.5% (£24)
Lancashire Combined Fire Authority	18 Feb 19	67.46	69.48	2.99%
		1,709.52	1,787.63	4.57%

*Includes 1% social care precept

13 RECOMMENDED THAT COMMITTEE

- 13.1 Approve the revised budget for 2018/19.
- 13.2 Delegate the submission of a response to the two consultation papers referred to in paragraph 3.8 to the Director of Resources in consultation with the Budget Working Group.
- 13.3 Approve the Budget Working Group's recommendations and set a budget and council tax requirement for 2019/20 as set out in Section 10.1.
- 13.4 Recommend the budget and council tax requirement to the Full Council meeting on 5 March 2019.

DIRECTOR OF RESOURCES

PF13-19/JP/AC
28 January 2019

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2018/19**

Description	Variances from Original Estimate 2018/19 to Revised Estimate 2018/19 £
HEALTH AND HOUSING COMMITTEE	
<p>ALL cost centres - Support Services Net increase in Support Services recharges for the Health and Housing Committee overall, following the departmental restructure and the yearly re-assessment of costs to date and time allocations in all support services areas.</p>	74,260
<p>HGBEN - Housing Benefits Rent Allowance subsidy receivable from the Department for Work and Pensions is estimated to be £35,780 higher than Rent Allowance payments, after adjusting for recovery of housing benefits overpayments and non-cash transactions.</p>	11,680
<p>HGBEN - Housing Benefits Additional income has been received in-year from the Department for Work and Pensions for various benefit changes and reforms the Council is required to implement in-year.</p>	-16,670
<p>IMPGR - Improvement Grants Estimated increase in Disabled Facilities Grants administration fees to be received in 2018/19. This is due to the increased numbers and value of Disabled Facilities Grants completed in-year to date (because of an increase in Disabled Facilities Grants funding from central government) and the increase from 5% to 10% for the administration fee charged by the Council on most categories of grants.</p>	-29,480
COMMUNITY SERVICES COMMITTEE	
<p>COMMD: Community Services Increased salary, NI & superannuation costs in part due to the allowance for staff turnover factored into the original estimate not materialising and also due to an agent being employed to cover for a period when the Pre-Planning Advice Officer post was vacant.</p> <p>Additionally, the budget allowed for a pay award at 2%, but this was finally settled at an average rate of 2.707%. This additional increase was allowed for under the separate corporate contingency budget - which is now being recognised under the service budgets.</p>	14,440
<p>VARIOUS: Car Parks Lower than estimated income from car parking charges. Partly due to Peel Street car park being sold at the beginning of the financial year, and reduced estimated income at Lowergate, Slaidburn & Church Walk car parks.</p>	14,540
<p>EALLW: Edisford All Weather Pitch Increased estimated income from the 3G pitch - in particular adult usage.</p>	-19,530

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2018/19**

Description	Variances from Original Estimate 2018/19 to Revised Estimate 2018/19 £
<u>MUSEM: Clitheroe Castle Museum</u> Reduced estimated income from museum admissions, room hire and sale of goods.	12,320
<u>PAPER: Paper Collection</u> Lower than estimated income from the sale of waste paper. This is due to the market price for the sale of paper currently being very low.	38,650
<u>RCOLL: Refuse Collection</u> Increased estimated expenditure on loaders wages. This is due to the allowance for staff turnover built into the original estimate not materialising. Additionally, the budget allowed for a pay award at 2%, but this was finally settled at an average rate of 2.707%. This additional increase was allowed for under the separate corporate contingency budget - which is now being recognised under the service budgets.	10,580
<u>VARIOUS: Refuse Collection Vehicles</u> Increased estimated diesel costs based upon estimated usage.	20,960
<u>RPOOL: Ribblesdale Pool</u> Lower than estimated income from swimming lessons as lessons are not currently booked to full capacity.	30,400
<u>RVPRK: Ribble Valley Parks</u> S106 monies previously received released to fund expenditure on Whalley Moor Woodland, Primrose Lodge and Calderstones Open Spaces.	-54,590
<u>STCLE: Street Cleansing</u> Increased estimated wages costs as the allowance for staff turnover factored into the original estimate not materialising. Additionally, the budget allowed for a pay award at 2%, but this was finally settled at an average rate of 2.707%. This additional increase was allowed for under the separate corporate contingency budget - which is now being recognised under the service budgets.	10,810
<u>TFRST: Waste Transfer Station</u> Expenditure incurred on hiring a WAMITAB qualified consultant. For the transfer station to be able to operate the Council must have a WAMITAB trained representative. No employees are currently qualified, however two employees are currently undergoing training.	12,700
<u>TRREF: Trade Refuse Collection</u> Increased estimated tipping charges payable to Lancashire County Council based upon the estimated commercial waste tonnages to be collected.	12,710
<u>TRREF: Trade Refuse Collection</u> Increased estimated income from trade customers: Commercial (-£32,760) and charitable (-£7,900) based upon the current customer base.	-40,660

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2018/19**

Description	Variances from Original Estimate 2018/19 to Revised Estimate 2018/19 £
<p><u>TRREF: Trade Refuse Collection</u> A new charge for the issue of Waste Transfer Notes to all commercial customers was introduced from 01 April 2018.</p>	-12,220
PLANNING AND DEVELOPMENT COMMITTEE	
<p><u>BCFEE: Building Control Fee Earning Account</u> Income to date is lower than estimated for 2018/19 due to a lower number of large commercial applications. The income estimate is based on actual income received at the date of review plus an estimate for the remainder of the year based on prior year brought forward. The service is forecast to make an overall net loss, which will be met from the Building Control earmarked reserve. Corporate Management Team will be looking further at the deficit position on the service over coming months.</p>	20,000
<p><u>PENDU: Pendle Hill User Group</u> The council holds an earmarked reserve on behalf of the AONB and Pendle Hill Landscape Partnership. A large invoice has been paid on their behalf in year, and funded from the earmarked reserve. There has also been a small contribution received in year.</p>	15,560
<p><u>PLANG: Planning Control & Enforcement</u> Spend on consultants in respect of planning appeals year to date is higher than that estimated. This increase in expenditure over the original estimate will be funded from the planning earmarked reserve</p>	22,530
<p><u>PLANG: Planning Control & Enforcement</u> The planning fee estimate has been increased for the year based on planning applications received to date. Pre-application fees have been increased following this committee's decision on 1st November 2018 to fund an increase in the hours worked of the Pre-Application Advice Officer from 22.5 hours to 37 hours per week.</p>	-82,150
<p><u>PLANP: Planning Policy</u> Following approval of the Longridge Neighbourhood Plan to proceed to referendum this financial year a grant of £20k will be available to the council (Planning and Development Committee 29 November 2018). Any balance of unspent grant in year will be set aside in earmarked reserves to meet any future Neighbourhood Plan costs.</p>	-20,000
POLICY & FINANCE COMMITTEE	
<p><u>CEXEC: Chief Executive's Department</u> 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><u>CIVST: Civic Suite</u> A refund of National Non Domestic Rates was received in 2018/19 following a</p>	-6,300

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2018/19**

Description	Variances from Original Estimate 2018/19 to Revised Estimate 2018/19 £
successful appeal against the 2010 rateable value of the council offices buildings (see below - split between CIVST and CLOFF)	
<u>CLOFF: Council Offices</u> 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)	-37,090
<u>CLOFF: Council Offices</u> Budget for potential liability in relation to utility charges	25,450
<u>FMISC: Finance Miscellaneous</u> 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.	68,370
<u>FMISC: Finance Miscellaneous</u> 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
<u>FMISC: Finance Miscellaneous</u> 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
<u>RESOR: Resources Department</u> 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.	25,410
<u>RESOR: Resources Department</u> 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
<u>Movement in Support Services</u>	-77,530
<u>Movement in Capital (Depreciation Charges)</u>	11,570

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2018/19**

Description	Variances from Original Estimate 2018/19 to Revised Estimate 2018/19 £
ECONOMIC DEVELOPMENT COMMITTEE	
INDDV - Economic Development Increased support service costs, mainly due to recharges having been reviewed as a result of the departmental restructure.	6,510
TURSM - Tourism & Events Printing costs relating to the production of the Visitor Guide 2019, offset in full by income to be received (see below).	22,330
TURSM - Tourism & Events Income to be generated from the sale of advertising in the 2019 Visitor Guide.	-22,550
Total of Major Variances for all Committees	£160,680

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

	Original Estimate 2018/19 £	Revised Estimate 2018/19 £
Building Control Fee Earning	15,020	-15,190
Neighbourhood Planning Reserve	0	9,710
Pendle Hill User Reserve	0	-15,560
Restructuring Reserve	0	-9,670
Planning Reserve	-19,160	-45,680
Community Safety Partnership (re CRIME)	-13,780	-4,790
Repairs and Maintenance Reserve	0	-8,180
Recreation Grants Reserve - for Recreation Grants	0	-8,240
Grant Funded Sports Development	0	-400
Exercise Referral Reserve	0	-1,160
Refuse Collection Reserve	2,040	9,950
Amenity Cleansing Reserve	0	-5,750
Two Way Radio	0	1,500
Food Festival Reserve	0	-3,210
Capital Reserve	0	14,650
Government Housing Grants	-17,960	-780
Capital Reserve	0	37,090
Elections	22,990	22,990
Performance Reward Grant	-2,650	0
IT Reserve	-3,970	-12,140
Add to VAT Shelter	108,080	39,710
Pensions Triennial Revaluation Reserve	33,320	33,060
Revaluation Reserve	2,110	2,110
Added to New Homes Bonus Reserve	468,388	470,908
Business Rates Growth Reserve - Balance (Taken)/Added	383,645	220,454
Business Rates Growth Reserve - Retained Levy added to reserve	474,633	644,823
Post LSVT Reserve (Pensions) - BWG	-36,512	-36,512
Net Movement	1,416,194	1,339,693

**SPECIAL POLICY & FINANCE COMMITTEE
COLLECTION FUND**

	Original 2018/19 £	Revised 2018/19 £
Expenditure		
Deficit Brought Forward:		
Council Tax	0	0
Business Rates	62,911	0
Council Tax Precepts:		
Lancashire County Council	29,656,258	29,656,258
Police & Crime Commissioner for Lancashire	4,063,960	4,063,960
Lancashire Combined Fire Authority	1,544,969	1,544,969
Ribble Valley incl Parishes	3,886,285	3,886,285
Allocation of Council Tax Surplus for Year:		
Ribble Valley	70,351	70,351
Lancashire County Council	524,995	524,995
Lancashire Combined Fire Authority	28,146	28,146
Police & Crime Commissioner for Lancashire	71,096	71,096
Cost of Collecting NNDR	88,160	88,160
Distribution of Business Rates:		
Central Government	7,311,176	7,311,176
Ribble Valley	5,848,942	5,848,942
Lancashire County Council	1,316,012	1,316,012
Lancashire Fire Authority	146,224	146,224
Enterprise Zone	131,098	217,520
Renewable Energy Schemes	81,921	93,921
Transitional Protection Payments	195,156	0
Overpayments of council tax benefit	0	2,798
NNDR - Bad Debts Provision	157,487	150,000
NNDR - Appeals Provision	472,459	616,333
Council Tax - Bad Debts Provision	295,855	100,000
	55,953,461	55,737,146
Income		
Surplus Brought Forward:		
Council Tax	694,588	820,851
Business Rates	0	94,322
Allocation of Business Rates Deficit:		
Central Government	31,456	31,456
Lancashire County Council	5,662	5,662
Lancashire Combined Fire Authority	629	629
Ribble Valley	25,165	25,165
Council Tax Income	39,447,327	39,746,521
Council Tax Benefits	0	238
Transitional Protection Payments due to the authority	0	208,370
Business Rates	15,748,634	15,983,210
	55,953,461	56,916,424
Surplus/(Deficit) carried forward		
CTAX - (Surplus)/Deficit Carried Forward	0	-618,752
NNDR - (Surplus)/Deficit Carried Forward	0	-560,526
Total (Surplus)/Deficit	0	-1,179,278

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	Balance at 31 March 2018 £	To be added/taken in 2018/19 on Revenue £	To be added/taken in 2018/19 on Capital £	Balance at 31 March 2019 £	To be added/taken in 2019/20 on Revenue £	To be added/taken in 2019/20 on Capital £	Balance at 31 March 2019 £
Reserves for Shorter Term Service Commitments							
<u>Community Services Committee Grants Fund</u> <i>Used to fund various Community Services Committee grants</i>	17,975	-8,240		9,735			9,735
<u>Audit Reserve Fund</u> <i>Used for computer audit</i>	12,335			12,335			12,335
<u>Refuse Collection</u> <i>To fund refuse collection costs of bin replacements and other cost pressures</i>	68,497	9,950	-10,000	68,447	2,080	-10,000	60,527
<u>Amenity Cleansing Reserve</u> <i>Used to fund known future amenity cleansing works</i>	5,750	-5,750		0			0
<u>Clitheroe Food Festival</u> <i>Resources set aside to help support the costs associated with the Clitheroe Food Festival</i>	17,736	-3,210		14,526	-14,120		406
Total Reserves for Shorter Term Service Commitments	122,293	-7,250	-10,000	105,043	-12,040	-10,000	83,003
Reserves to Smooth the Revenue Impact of Longer Term Cyclical Costs							

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	Balance at 31 March 2018 £	To be added/taken in 2018/19 on Revenue £	To be added/taken in 2018/19 on Capital £	Balance at 31 March 2019 £	To be added/taken in 2019/20 on Revenue £	To be added/taken in 2019/20 on Capital £	Balance at 31 March 2019 £
<u>Elections Fund</u> <i>Used to fund borough elections held once every four years</i>	87,000	22,990		109,990	-90,000		19,990
<u>Revaluation of Assets Reserve</u> <i>To contribute towards the revaluation of the Council's assets every five years.</i>	7,290	2,110		9,400	2,150		11,550
<u>Pensions Triennial Revaluation Reserve</u> <i>Savings on contribution rates, set aside with a view to offsetting any future pensions fund deficits</i>	12,778	33,060		45,838	50,540		96,378
Total Reserves to Smooth the Revenue Impact of Longer Term Cyclical Costs	107,068	58,160	0	165,228	-37,310	0	127,918
Reserves for Trading or Business Units							
<u>Building Control Fund</u> <i>Available to equalise net expenditure over a three year period</i>	-41,160	-15,190		-56,350	-15,290		-71,640
Total Reserves for Trading or Business Units	-41,160	-15,190	0	-56,350	-15,290	0	-71,640
Reserves for Sums Set Aside for Major Schemes such as Capital Projects							
<u>Capital</u> <i>Used to fund the capital programme</i>	860,472	51,740	-159,520	752,692	10,610	-7,520	755,782

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	Balance at 31 March 2018 £	To be added/taken in 2018/19 on Revenue £	To be added/taken in 2018/19 on Capital £	Balance at 31 March 2019 £	To be added/taken in 2019/20 on Revenue £	To be added/taken in 2019/20 on Capital £	Balance at 31 March 2019 £
<u>ICT Repairs and Renewals</u> <i>To fund future software and hardware upgrades</i>	167,789	-12,140	-13,908	141,741	0	-54,100	87,641
<u>Vehicle & Plant Repairs and Renewals Reserve</u> <i>Resources set aside to fund future replacement of Vehicles and Plant through the capital programme</i>	438,000		-386,970	51,030			51,030
Total Reserves for Sums Set Aside for Major Schemes such as Capital Projects	1,466,261	39,600	-560,398	945,463	10,610	-61,620	894,453
Reserves for Longer Term Strategic or Corporate Items							
<u>VAT Shelter Reserve</u> <i>Funds received from the post LSVT VAT Shelter arrangements, partly used to contribute towards the future financing of the capital programme</i>	1,223,054	39,710	-182,210	1,080,554		-156,880	923,674
<u>Fleming VAT Claim</u> <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	67,271		-6,450	60,821		-30,000	30,821
<u>Insurance</u> <i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	14,581			14,581			14,581
<u>Repairs and Maintenance</u>	29,299	-8,180		21,119			21,119

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	Balance at 31 March 2018	To be added/taken in 2018/19 on Revenue	To be added/taken in 2018/19 on Capital	Balance at 31 March 2019	To be added/taken in 2019/20 on Revenue	To be added/taken in 2019/20 on Capital	Balance at 31 March 2019
	£	£	£	£	£	£	£
<i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>							
<u>Post LSVT</u> <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	219,075	-36,512		182,563	-36,512		146,051
<u>Restructuring Reserve</u> <i>To fund costs resulting from restructuring reviews</i>	207,317	-9,670		197,647			197,647
<u>Equipment Reserve</u> <i>To fund essential and urgent equipment requirements</i>	123,517		-39,832	83,685			83,685
<u>Invest to Save Fund</u> <i>To fund future invest to save projects</i>	250,000		-20,000	230,000			230,000
<u>Planning Reserve</u> <i>To fund any future potential planning issues such as Local Development Plan expenditure and Planning Appeals</i>	124,980	-45,680		79,300	-11,200	-14,500	53,600
<u>Housing Benefit Reserve</u> <i>To help meet the challenges facing the service in the coming years</i>	100,000			100,000			100,000
<u>Business Rates Volatility Reserve</u>	1,682,000			1,682,000			1,682,000

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	Balance at 31 March 2018	To be added/taken in 2018/19 on Revenue	To be added/taken in 2018/19 on Capital	Balance at 31 March 2019	To be added/taken in 2019/20 on Revenue	To be added/taken in 2019/20 on Capital	Balance at 31 March 2019
	£	£	£	£	£	£	£
<i>To provide some protection against business rates volatilities</i>							
<u>New Homes Bonus Reserve</u> <i>To help support revenue and capital expenditure</i>	1,886,771	470,908	-201,090	2,156,589	538,759	-313,600	2,381,748
<u>Business Rates Growth Reserve</u> <i>Business rates growth used to support revenue expenditure or the capital programme.</i>	221,060	865,277	-95,406	990,931	1,683,218	-1,522,540	1,151,609
Total Reserves for Longer Term Strategic or Corporate Items	6,148,925	1,275,853	-544,988	6,879,790	2,174,265	-2,037,520	7,016,535
Reserves for External Funding where Expenditure has yet to be Incurred							
<u>Performance Reward Grant</u> <i>Performance Reward Grant received and used to fund associated projects</i>	67,577			67,577			67,577
<u>Land Charges Reserve</u> <i>To fund any potential restitution claims for personal search fees</i>	46,794			46,794			46,794
<u>Pendle Hill User Reserve</u> <i>To fund improvement schemes on Pendle Hill</i>	44,510	-15,560		28,950			28,950
<u>Crime Reduction Partnership Reserve</u>	34,608	-4,790		29,818	-14,060		15,758

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	Balance at 31 March 2018	To be added/taken in 2018/19 on Revenue	To be added/taken in 2018/19 on Capital	Balance at 31 March 2019	To be added/taken in 2019/20 on Revenue	To be added/taken in 2019/20 on Capital	Balance at 31 March 2019
	£	£	£	£	£	£	£
<i>To fund cost of crime reduction initiatives</i>							
<u>Up and Active Reserve</u> <i>To fund potential residual staffing costs</i>	13,771	-1,160		12,611			12,611
<u>Housing Related Grants Reserve</u> <i>Grant received, to be committed to future expenditure</i>	198,705	-780		197,925	30,000		227,925
<u>Planning Policy Related Grants Reserve</u> <i>To provide short term capacity support when dealing with housing planning applications</i>	5,850			5,850			5,850
<u>Community Right to Bid/Challenge</u> <i>To fund any future costs under the Community Right to Bid and Community Right to Challenge Regulations</i>	45,124			45,124			45,124
<u>Grant Funded Sports Development</u> <i>To finance future Sports Development grant funded expenditure</i>	3,640	-400		3,240			3,240
<u>Whalley Moor Reserve</u> <i>Grant received towards work at Whalley Moor Woodland</i>	4,520			4,520			4,520
<u>Individual Electoral Registration Reserve</u>	16,590			16,590			16,590

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	Balance at 31 March 2018	To be added/taken in 2018/19 on Revenue	To be added/taken in 2018/19 on Capital	Balance at 31 March 2019	To be added/taken in 2019/20 on Revenue	To be added/taken in 2019/20 on Capital	Balance at 31 March 2019
	£	£	£	£	£	£	£
<i>Grant received for the implementation of Individual Electoral Registration which will be used to fund this work</i>							
<u>Neighbourhood Planning Reserve</u> <i>DCLG Neighbourhood Planning Grant received to fund future related expenditure</i>	10,069	9,710		19,779			19,779
<u>Repossession Prevention Fund Reserve</u> <i>Ring-fenced DCLG funded reserve to help prevent repossessions and homelessness.</i>	28,491			28,491			28,491
<u>Parish Grant Reserve</u> <i>PRG resources set aside to fund the Parish Grant Scheme</i>	36,819			36,819			36,819
<u>Rural Services Reserve</u> <i>Grant received with the purpose of supporting rural services</i>	105,544		-21,494	84,050		-84,050	0
<u>Custom and Self Build Register Grant Reserve</u> <i>Grant funding towards maintenance of a register of individuals, and associations of individuals, seeking to acquire serviced plots of land in the area</i>	45,000			45,000			45,000

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	Balance at 31 March 2018 £	To be added/taken in 2018/19 on Revenue £	To be added/taken in 2018/19 on Capital £	Balance at 31 March 2019 £	To be added/taken in 2019/20 on Revenue £	To be added/taken in 2019/20 on Capital £	Balance at 31 March 2019 £
<u>Brownfield Register Grant Reserve</u> <i>Grant funding towards preparation and maintenance of a register of brownfield sites suitable for residential development.</i>	16,420			16,420			16,420
<u>Flood Resilience Grant Reserve</u> <i>Grant funding relating to residual Flood Resilience Grants</i>	20,000			20,000			20,000
<u>Two Way Radio Reserve</u> <i>Contributions from the Lancashire Resilience Forum towards the running of the Two Way Radio system and future enhancements</i>	0	1,500		1,500	1,500		3,000
Total Reserves for External Funding where Expenditure has yet to be Incurred	744,032	-11,480	-21,494	711,058	17,440	-84,050	644,448
Total of all Earmarked Reserves	8,547,419	1,339,693	-1,136,880	8,750,232	2,137,675	-2,193,190	8,694,717

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2018/19 OE TO 2019/20 OE**

Description	Variance Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
HEALTH AND HOUSING COMMITTEE	
<p>ALL cost centres - Support Services Net increase in Support Services recharges for the Health and Housing Committee overall, following the departmental restructure and the yearly re-assessment of costs to date and time allocations in all support services areas. <i>Note - One element of the net increase is increased recharges to the Improvement Grants cost centre for the costs of an additional part-time post to provide capacity to administer the increase in Disabled Facilities Grants applications. These costs were not included in the 2018/19 original estimate budget. These costs are covered by the increase in Disabled Facilities Grants administration fees income (see below).</i></p>	109,230
<p>HGBEN - Housing Benefits Rent Allowance subsidy receivable from the DWP is estimated to be £32,060 higher than Rent Allowance payments, after adjusting for recovery of housing benefits overpayments and non-cash transactions. This difference is £15,400 lower than budgeted for at original estimate stage in 2018/19.</p>	15,400
<p>CLCEM - Clitheroe Cemetery Estimated increase in interments, exclusive burial rights and monuments fees income, based on the higher than inflation increases in 2019/20 fees approved by Health and Housing Committee in November 2018. The impact of the fees increase on the actual numbers of interments, exclusive burial rights and monuments rights granted may differ in practice to what is estimated here.</p>	-14,760
<p>IMPGR - Improvement Grants Estimated increase in Disabled Facilities Grants administration fees to be received in 2019/20. This is based on increased Central Government funding for Disabled Facilities Grants continuing into 2019/20 at similar levels to 2018/19 and the continuing use of 10% administration fees for most categories of Disabled Facilities Grants administered by the Council. This increase was not included in the 2018/19 original estimate budget. <i>Note - Part of this additional income will cover the increased costs of the additional part-time post to provide capacity to administer the increase in grant applications (see above).</i></p>	-19,280
COMMUNITY SERVICES COMMITTEE	
<p><u>VARIOUS: Support Services</u> Following the departmental restructure, support services have been reallocated.</p>	196,730
<p><u>COMMD – Commercial Services Department</u> Reduction in Salary costs due to the departmental restructure. These costs moved to other departments</p>	-119,410

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2018/19 OE TO 2019/20 OE**

Description	Variance Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
<p><u>VARIOUS: NNDR</u> Increases to NNDR payable across various council sites. This is due to revaluations of property bands or transitional relief currently received decreasing. Offset in part by transitional surcharges payable decreasing/ending.</p>	14,210
<p><u>VARIOUS: Diesel</u> Increased diesel costs across the council's fleet due to an increase in the unit price and estimated usage.</p>	18,840
<p><u>TRREF: Waste Transfer Notes</u> A new charge was introduced 01 April 2018 for the issue of waste transfer notes to trade waste customers. Budget introduced for the anticipated income to be received.</p>	-12,220
<p><u>EALLW: Use of 3G Pitch</u> Increased estimated income from the use of the 3G pitches (Adult & Juniors) based upon current usage levels.</p>	-19,820
PLANNING AND DEVELOPMENT COMMITTEE	
<p><u>BCFEE: Building Control Fee Earning</u> The net position on the building control fee earning service is forecast to move to a deficit position, largely due to falling income and also increased support services included below. This forecast position is supported through movements to or from the building control earmarked reserve.</p> <p>Shown here is the anticipated fall in income levels for the service for 2019/20, compared to the Original Estimate 2018/19</p> <p>The forecast deficit position is to be further reviewed by the Corporate Management Team over the coming months.</p>	20,400
<p><u>PLANG: Planning Control & Enforcement</u> The planning fee estimate has been increased for the year based on applications received to date. Pre-Application advice fees have been increased following this committee's decision on 1st November 2018 to fund an increase in the hours worked of the Pre-Application Advice Officer from 22.5 hours to 37 hours per week</p>	-76,360
<p><u>ECPLA: Economic Development and Planning Department</u> This new department only included costs in respect of the new director at the Original Estimate 2018/19, with staff that were to be moved in to the new department being budgeted for within the departmental structure that was in place at the time of setting the budget.</p> <p>There has been a large move in costs at the Original Estimate 2019/20, with all relevant staff now having been moved from their respective previous departments to this new department. As a result, costs have substantially increased on this cost centre, but have fallen on other departmental codes - which fall under other committees.</p>	314,850

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2018/19 OE TO 2019/20 OE**

Description	Variance Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
<p><u>Support Service Costs</u> There is a net increase in income under net support service costs - particularly due to the increased income from recharges out of the Economic Development and Planning Department in relation to the increased expenditure detailed above.</p>	-303,320
POLICY AND FINANCE COMMITTEE	
<p>CEXEC: Chief Executives Department 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>DISTC: District Elections 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>FMISC: Finance Miscellaneous 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>FMISC: Finance Miscellaneous 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>FMISC: Finance Miscellaneous 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>FMISC: Finance Miscellaneous 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
<p>FMISC: Finance Miscellaneous 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

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2018/19 OE TO 2019/20 OE**

Description	Variance Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
<p>LANDC: Land Charges 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>RESOR: Resources Department 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>Inflation Provision for inflationary increases</p>	124,970
<p>Depreciation and Impairment Movements in Capital charges</p>	49,380
ECONOMIC DEVELOPMENT COMMITTEE	
<p>INDDV - Economic Development Increase in support service costs in part due to an increase in time spent on economic development activities by members of Community Services and also due to the movements in staffing from the Chief Executive's Department to the Economic Development and Planning Department.</p>	7,590
<p>TURSM - Tourism & Events Increased support service costs mainly due to the movements in staffing from Chief Executive's Department to the Economic Development and Planning Department. Additionally, there has been some movement in time charged to Tourism & Events due to increased time (5%) being charged to this service area by the Economic Development & Planning Department.</p>	9,560
Total of Major Variances for all Committees	£476,850

**SPECIAL POLICY AND FINANCE COMMITTEE
PARISH PRECPTS 2019/20**

Band D Equivalent Tax Base	Parish	Parish Precept 2019/20 £	Parish Precept 2018/19 £	Increase / (Decrease) £	Band D Equivalent Tax 2019/20 £	Band D Equivalent Tax 2018/19 £	Increase/ Decrease in Band D Tax £	Increase/ Decrease in Band D Tax %
442	Aighton, Bailey & Chaigley	5,350	5,150	200	12.10	11.55	0.55	4.8%
198	Balderstone	2,500	1,700	800	12.63	8.63	4.00	46.3%
484	Barrow	11,132	9,572	1,560	23.00	21.32	1.68	7.9%
203	Bashall Eaves, Great Mitton & Little Mitton	1,624	1,232	392	8.00	6.01	1.99	33.1%
2,141	Billington & Langho	21,300	21,050	250	9.95	9.91	0.04	0.4%
493	Bolton by Bowland, Gisburn Forest & Sawley	18,172	20,421	-2,249	36.86	41.85	-4.99	-11.9%
73	Bowland Forest (High)	2,167	2,167	0	29.68	30.96	-1.28	-4.1%
79	Bowland Forest (Low)	1,200	1,200	0	15.19	15.19	0.00	0.0%
80	Bowland with Leagram	810	200	610	10.13	2.33	7.80	334.8%
379	Chatburn	11,372	11,372	0	30.01	29.93	0.08	0.3%
490	Chipping	8,280	7,750	530	16.90	15.88	1.02	6.4%
514	Clayton le Dale	3,000	3,000	0	5.84	5.88	-0.04	-0.7%
5,372	Clitheroe	113,662	110,999	2,663	21.16	21.24	-0.08	-0.4%
47	Dinckley	0	0	0	0.00	0.00	0.00	-
49	Downham	0	0	0	0.00	0.00	0.00	-
106	Dutton	500	500	0	4.72	4.76	-0.04	-0.8%
218	Gisburn	5,275	5,275	0	24.20	25.00	-0.80	-3.2%
362	Grindleton	7,500	7,500	0	20.72	20.83	-0.11	-0.5%

**SPECIAL POLICY AND FINANCE COMMITTEE
PARISH PRECPTS 2019/20**

Band D Equivalent Tax Base	Parish	Parish Precept 2019/20 £	Parish Precept 2018/19 £	Increase / (Decrease) £	Band D Equivalent Tax 2019/20 £	Band D Equivalent Tax 2018/19 £	Increase/ Decrease in Band D Tax £	Increase/ Decrease in Band D Tax %
46	Horton	0	0	0	0.00	0.00	0.00	-
69	Hothersall	1,000	1,000	0	14.49	13.70	0.79	5.8%
2,804	Longridge	73,072	70,492	2,580	26.06	25.43	0.63	2.5%
9	Mearley	0	0	0	0.00	0.00	0.00	-
995	Mellor	18,168	14,656	3,512	18.26	14.66	3.60	24.6%
18	Newsholme	0	0	0	0.00	0.00	0.00	-
142	Newton	2,500	2,500	0	17.61	17.12	0.49	2.9%
110	Osbaldeston	1,000	750	250	9.09	6.76	2.33	34.5%
45	Paythorne	0	0	0	0.00	0.00	0.00	-
106	Pendleton	1,000	1,300	-300	9.43	12.26	-2.83	-23.1%
280	Ramsgreave	2,500	2,000	500	8.93	7.14	1.79	25.1%
562	Read	9,806	9,722	84	17.45	17.24	0.21	1.2%
658	Ribchester	7,826	7,826	0	11.89	11.84	0.05	0.4%
242	Rimington & Middop	6,500	5,500	1,000	26.86	23.01	3.85	16.7%
521	Sabden	15,420	14,969	451	29.60	28.57	1.03	3.6%
191	Salesbury	4,800	4,800	0	25.13	24.87	0.26	1.0%
496	Simonstone	8,400	8,400	0	16.94	16.90	0.04	0.2%
148	Slaidburn & Easington	2,050	2,050	0	13.85	13.67	0.18	1.3%
169	Thornley with Wheatley	1,500	1,500	0	8.88	8.98	-0.10	-1.1%

**SPECIAL POLICY AND FINANCE COMMITTEE
PARISH PRECPTS 2019/20**

Band D Equivalent Tax Base	Parish	Parish Precept 2019/20 £	Parish Precept 2018/19 £	Increase / (Decrease) £	Band D Equivalent Tax 2019/20 £	Band D Equivalent Tax 2018/19 £	Increase/ Decrease in Band D Tax £	Increase/ Decrease in Band D Tax %
37	Twiston	0	0	0	0.00	0.00	0.00	-
454	Waddington	13,500	13,500	0	29.74	29.61	0.13	0.4%
368	West Bradford	7,129	6,955	174	19.37	19.21	0.16	0.8%
1,699	Whalley	36,895	35,845	1,050	21.72	22.03	-0.31	-1.4%
1,082	Wilpshire	18,415	17,476	939	17.02	16.21	0.81	5.0%
183	Wiswell	5,439	4,854	585	29.72	26.52	3.20	12.1%
45	Worston	0	0	0	0.00	0.00	0.00	-
23,209		450,764	435,183	15,581				