

RIBBLE VALLEY BOROUGH COUNCIL

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Dear Councillor

The next meeting of the **POLICY AND FINANCE COMMITTEE** is at **6.30PM on TUESDAY, 21 JANUARY 2020** in the **TOWN HALL, CHURCH STREET, CLITHEROE.**

I do hope you can be there.

Yours sincerely

CHIEF EXECUTIVE

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

AGENDA

Part 1 – items of business to be discussed in public

1. Apologies for absence.
- ✓ 2. Minutes of the meeting held on 19 November 2019 - copy enclosed.
3. Declarations of Pecuniary and Non-Pecuniary Interests (if any).
4. Public Participation (if any).

DECISION ITEMS

- ✓ 5. Revised Capital Programme 2019/20 – report of Director of Resources – copy enclosed.
- ✓ 6. Revised Revenue Budget 2019/20 – report of Director of Resources – copy enclosed.
- ✓ 7. Original Revenue Budget 2020/21 – report of Director of Resources – copy enclosed.
- ✓ 8. Local Taxation Write-offs – report of Director of Resources – copy enclosed.
- ✓ 9. Review of Financial Regulations and Contract Procedure Rules – report of Director of Resources – copy enclosed.
- ✓ 10. Freedom Parade 2020 – report of Chief Executive – copy enclosed.

- ✓ 11. Peer Challenge Report – report of Chief Executive – copy enclosed.
- 12. References from Committee (if any).

INFORMATION ITEMS

- ✓ 13. Treasury Management Monitoring 2019/20 – report of Director of Resources – copy enclosed.
- ✓ 14. Revenues and Benefits General Report – report of Director of Resources – copy enclosed.
- ✓ 15. Christmas Luncheon Clubs Project – Update – report of Director of Economic Development and Planning – copy enclosed.
- 16. Reports on Representatives on Outside Bodies (if any).

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

DECISION

- ✓ 17. Local Taxation and Housing Benefit Write-offs – report of Director of Resources – copy enclosed.

INFORMATION

None.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 5

meeting date: 21 JANUARY 2020
title: REVISED CAPITAL PROGRAMME 2019/20
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

1.1 To approve the 2019/20 revised estimate for this Committee's capital programme.

1.2 Relevance to the Council's ambitions and priorities:

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

2 2019/20 CAPITAL PROGRAMME BACKGROUND

2.1 Four schemes, totalling £112,200, were approved as this Committee's original estimate capital programme by the Special Policy and Finance Committee and Full Council at their respective meetings in February 2019 and March 2019.

2.2 When the revised estimate budget for the 2018/19 capital programme was approved by this Committee in January 2019, £84,050 of budget on one scheme was moved from the 2018/19 capital programme to the 2019/20 capital programme.

2.3 Three schemes in the 2018/19 capital programme were not completed by 31 March 2019 and had unspent budget available at that date. The total unspent balance on these schemes, £60,950, is known as slippage. This slippage was transferred into the 2019/20 capital programme budget, after approval by this Committee in June 2019.

2.4 In September 2019, this Committee approved additional budget on two schemes in the 2019/20 capital programme. These amounts, totalling £23,340, are known as additional approvals.

2.5 As a result of the above, the total approved budget for this Committee's capital programme of eight schemes was £280,540. This is shown at Annex 1.

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

3 REVISING THE 2019/20 CAPITAL PROGRAMME

3.1 We have now discussed each of the schemes in the capital programme with budget holders and revised the programme to reflect their progress and estimated full year expenditure. Following this review, the proposed revised estimate is £162,720 for seven schemes, which is a reduction of £117,820 from the total approved capital budget. The reasons for this are as follows:

- **Re-Design of Corporate Website (-£30,000):** The scheme has been delayed due to the wider implications of recent accessibility regulations which will affect the redesign of the main corporate website, and also have potential implications for other satellite Council websites. The full impact of the requirements under these regulations will be subject to

discussions with CMT over the coming weeks. Therefore, it will not be possible to complete this work within the current financial year.

It is recommended that the 2019/20 revised estimate for the scheme is set at nil and that this scheme and its budget of £30,000 is moved to the 2020/21 financial year.

- **Replacement PCs (+£10,450):** The current scheme budget of £65,100 includes the cost of replacement PCs and also an upgrade to the CivicaPay system to ensure Windows 10 compatibility is maintained from early 2020 onwards. There are three further IT systems that are now requiring upgrades in early 2020 to ensure Windows 10 compatibility going forwards, namely the Northgate Planning system, the Addtime HR system and the Civica APP scheduling system. The additional cost for these upgrades is £10,450.

This Committee is requested to approve additional budget of £10,450 on this scheme to fund the IT system upgrades required in-year. If approved, £7,400 of the additional budget can be funded from the Capital earmarked reserve and £3,050 can be funded by contributions from the Environmental Health, Housing and Estates 2019/20 revenue budgets.

If the £10,450 additional budget is approved the 2019/20 revised estimate for the scheme will be set at £75,550.

- **Lift replacement at Council Offices (-£78,030):** There are two elements to this net reduction in the 2019/20 budget. Firstly, the scheme budget has been reviewed as part of the revised estimate process. The latest estimate for the full scheme costs is £93,040, with £90,090 of this being the budget required for 2019/20, 2020/21 and 2021/22. This is an estimated increase of £700 from the updated budget approved by this Committee in September 2019, due to higher estimated building regulations and expert consultant costs.

This Committee is requested to approve the additional budget of £700 on this scheme. If approved, the additional budget can be funded from the Capital earmarked reserve.

Secondly, as reported to this Committee in November 2019, the main works on this scheme will now start in March 2020, with completion planned in June 2020. At this stage, it is estimated that £11,360 will be spent on the scheme before the end of this financial year. The remainder of the budget will be spent in 2020/21, save for the main contract retention payment, based on 2.5% of the final contract costs, which cannot be paid until twelve months after the completion of the main work on the contract.

If the £700 additional budget is approved, it is recommended that the 2019/20 revised estimate for the scheme is set at £11,360 and that £78,730 budget is moved to the 2020/21 and 2021/22 financial years.

- **New Council telephone system (-£14,500):** The scheme budget estimate has been re-set, now that we have detailed costings for the new telephone system and the Contact Centre telephone software upgrade. The estimated scheme cost has reduced by £14,500 to £30,500, mainly because the new system uses the Council's current telephony infrastructure rather than it being a replacement of both the telephone system and telephony infrastructure. Therefore, it is recommended that the 2019/20 revised estimate for the scheme is set at £30,500.
- **Completed schemes (-£5,740):** The combined actual spend on the two capital schemes already completed in-year was £5,740 lower than the combined total approved budgets for those schemes.

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

Original Estimate 2019/20 £	Budget Moved from 2018/19 £	Slippage from 2018/19 £	Additional Approvals 2019/20 £	Total Approved Budget 2019/20 £	Revised Estimate 2019/20 £	Budget Moved to 2020/21 £	Actual Expenditure including commitments for 2019/20 as at end of December 2019 £
112,200	84,050	60,950	23,340	280,540	162,720	108,730	116,820

3.3 At the end of December 2019 £116,820 had been spent or committed. This is 71.8% of the revised capital programme budget for this Committee.

3.4 The Corporate Firewall and Queensway Garages schemes have been completed.

3.5 At this stage, the Committee Administration IT System, Replacement PCs, Financial System Upgrade and New Council Telephone System schemes are on-track to be completed in-year.

3.6 The Lift Replacement at Council Offices scheme will be in progress at year-end and is planned to be completed in 2020/21.

3.7 Progress on the schemes with the largest remaining 2019/20 budgets is as follows:

- **Committee Administration IT System (-£7,600):** Mod Gov system installation and training has been ordered. The system is to be installed in January 2020. Full implementation of the system, including training, and purchase of associated hardware is planned to be completed by March 2020.
- **Replacement PCs (-£12,730):** The replacement PCs work is already substantially complete and will be fully complete in-year. With regard to the IT systems updates to ensure Windows compatibility, the Civica APP and Addtime upgrades are complete, the CivicaPay upgrade is partially complete and the Northgate Planning system upgrade has not yet started. At this stage, it is planned for the CivicaPay and Northgate Planning upgrades to be completed by March 2020, but this is dependent on the availability of IT supplier consultant input before the end of March 2020.
- **Lift replacement at Council Offices (-£9,291):** Preparatory works are being undertaken in January and February 2020, before the start of the main works in March 2020. The remaining budget for 2019/20 is estimated to be spent on preliminary contract works, building regulations fees and expert consultant costs.
- **New Council telephone system (-£13,511):** Preparatory work is in progress for the new telephone system installation and the Contact Centre telephone software upgrade to be completed at the same time in February 2020, subject to final dates being confirmed with the suppliers. Staff training will then take place immediately after installation, which will complete the scheme.

4 RISK ASSESSMENT

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

- Resources – Approval of the revised capital programme will see a decrease of £117,820 in the level of financing resources needed in 2019/20 and £108,730 of capital financing resources will be moved into 2020/21.

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

5 CONCLUSION

- 5.1 The proposed revised estimate for this Committee's 2019/20 capital programme is £162,720 for seven schemes, which is a reduction of £117,820 from the previously approved capital budget.
- 5.2 The proposed revised estimate includes proposed additional budgets of £11,150 on two schemes, which can be funded by earmarked reserves and contributions from revenue budgets, and it is proposed that budgets on two schemes, totalling £108,730, are moved to the 2020/21 financial year.
- 5.3 At the end of December 2019 £116,820 had been spent or committed. This is 71.8% of the revised capital programme budget for this Committee.
- 5.4 Of the seven schemes in the proposed revised capital programme, two schemes have already been completed, four schemes are currently on-track to be completed in-year and one scheme will be in progress at year-end.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Approve additional budget of £10,450 on the Replacement PCs scheme, to be funded by £7,400 from Capital earmarked reserve and £3,050 from contributions from Environmental Health, Housing and Estates 2019/20 revenue budgets.
- 6.2 Approve additional budget of £700 on the Lift replacement at Council Offices scheme, to be funded by £700 from Capital earmarked reserve.
- 6.3 Approve the 2019/20 revised estimate of £162,720 for this Committee's capital programme, as set out in Annex 1.
- 6.4 Approve the move of the following capital budgets from 2019/20 to 2020/21:
- Re-Design of Corporate Website, £30,000.
 - Lift replacement at Council Offices, £78,730.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF8-20/AC/AC
10 January 2020

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

POLICY AND FINANCE COMMITTEE – REVISED CAPITAL PROGRAMME 2019-20

Cost Centre	Scheme	Original Estimate 2019/20 £	Budget Moved from 2018/19 £	Slippage from 2018/19 £	Additional Approvals 2019/20 £	Total Approved Budget 2019/20 £	Revised Estimate 2019/20 £	Budget Moved to 2020/21 £	Actual Expenditure including commitments for 2019/20 as at end of December 2019 £
COWEB	Re-Design of Corporate Website	30,000	0	0	0	30,000	0	30,000	0
COFIR	Corporate Firewall	15,000	0	0	0	15,000	10,860	0	10,855
COADM	Committee Administration IT System	20,100	0	0	0	20,100	20,100	0	12,500
REPPC	Replacement PCs	47,100	0	0	18,000	65,100	75,550	0	62,820
COLFT	Lift replacement at Council Offices	0	84,050	0	5,340	89,390	11,360	78,730	2,069
QGARR	Queensway Garages – replace roof covering and repairs	0	0	1,830	0	1,830	230	0	228
CFUPG	Financial system upgrade	0	0	14,120	0	14,120	14,120	0	11,359
PHONE	New Council telephone system	0	0	45,000	0	45,000	30,500	0	16,989
Total Policy and Finance Committee		112,200	84,050	60,950	23,340	280,540	162,720	108,730	116,820

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 6

meeting date: 21 JANUARY 2020
title: REVISED REVENUE BUDGET 2019/20
submitted by: DIRECTOR OF RESOURCES
principal author: VALERIE TAYLOR

1 PURPOSE

- 1.1 To agree a revised revenue budget for 2019/20 for this committee.

2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2019.
- 2.2 As members will be aware, there can be numerous variations to the budget that come to our attention as the year progresses, particularly through the budget monitoring process.
- 2.3 At this time of year we revise the estimates for the current financial year in order to predict the likely outturn. In essence the Revised Estimate is the council's latest forecast for the outturn on the current financial year's budget. This also assists us in preparing the original estimate for the coming financial year.

3 REVISING THE ORIGINAL ESTIMATE

- 3.1 Since the budget was originally set we now have the benefit of information from the outturn position for 2018/19 and the variances that were experienced in that financial year. Furthermore, as we have been monitoring our budgets during the year we can also use this information to inform the revised budget process.
- 3.2 The original budget for 2019/20 included provision for pay increases at 3% and price increases at 2%.
- 3.3 Whilst our committee income and expenditure may increase or decrease at the revised estimate, items such as our budgeted core government funding and our council tax precept remain fixed. As a result, any compensating movement is within our earmarked reserves and general fund balances.
- 3.4 In addition to the use of data on past performance there have been detailed discussions with budget holders and heads of service on past service provision and future plans, playing an integral part in the budget setting process.
- 3.5 Furthermore, decisions and actions required as a result of committee meetings are incorporated in to the budget setting process, whilst financial implications would likely have already been identified as part of any committee decision.
- 3.6 As part of the setting of the revised estimate, this report is now presented to committee to seek comment and approval. Once approved by this committee, the revised estimate will be reported to Special Policy and Finance Committee.

3.7 The proposed revised estimate for this committee is now presented in the following section, with details of the movements that affect this revision being detailed at Annex 1. There are also details of the current actual position as at the end of November against the profiled Original Estimate and alongside the proposed Revised Estimate at Annex 2.

4 PROPOSED REVISED REVENUE BUDGET 2019/20

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

Cost Centre and Description	Original Estimate 2019/20	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2019/20
CEXEC: Chief Executives Department	0	23,370	120	-23,490		0
CIVCF: Civic Functions	61,430	-3,190	-40	-820		57,380
CIVST: Civic Suite	0	-910	1,230	-5,170	4,850	0
CLOFF: Council Offices	0	36,180	220	-21,630	-14,770	0
CLTAX: Council Tax	375,450	-5,860	2,430	-11,380		360,640
COMPR: Computer Services	0	19,440	-2,400	-17,040		0
CORPM: Corporate Management	342,600			11,010		353,610
COSDM: Cost of Democracy	476,670	960		12,930		490,560
CSERV: Corporate services	163,230	-1,190		8,580		170,620
DISTC: District Elections	120,000	-18,880				101,120
ELADM: Election Administration	24,660			26,600		51,260
ELECT: Register of Electors	109,570	350	-17,790	-12,950		79,180
EMERG: Community Safety	65,210	-30		-950		64,230
ERNET: Emergency Radio Network	0	2,870	-2,800			70
ESTAT: Estates	70,360	1,880	-18,060	40	-250	53,970

Cost Centre and Description	Original Estimate 2019/20	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2019/20
FGSUB: Grants & Subscriptions - Policy and Fin	169,670	4,190		-1,770		172,090
FMISC: Policy & Finance Miscellaneous	43,370	6,200	-47,570	-2,490		-490
LANDC: Land Charges	28,660	310	-2,830	-13,840		12,300
LICSE: Licensing	29,770	1,180	-970	3,340		33,320
LUNCH: Luncheon Clubs	14,520			1,220		15,740
NNDRC: National Non Domestic Rates	48,570	1,390	-8,860	-4,800		36,300
PARGR: Parish Council Grants	0	1,050				1,050
RESOR: Resources Department	11,950	-6,260	870	5,890	-12,450	0
SUPDF: Superannuation Deficiency Payments	99,010	-2,160				96,850
Grand Total	2,254,700	60,890	-96,450	-46,720	-22,620	2,149,800
Associated Movements in Earmarked Reserves						
FNBAL/H328 Repairs and Maintenance Reserve		-27,950				-27,950
FNBAL/H337 Equipment Reserve		-16,900				-16,900
FNBAL/H294 Cyber Resilience Grant Reserve		-10,600				-10,600
FNBAL/H230 Elections Fund Reserve	-90,000	18,230				-71,770
FNBAL/H330 Capital Reserve		290	13,100			13,390
FNBAL/H269 Revaluation of Assets Reserve	2,150	-9,400				-7,250
FNBAL/H289 EU Exit Funding Reserve			34,970			34,970

Cost Centre and Description	Original Estimate 2019/20	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2019/20
FNBAL/H326 Performance Reward Grant Reserve		-1,050				-1,050
FNBAL/H262 ICT Equipment Reserve		-3,130				-3,130
FNBAL/H302 LCTS New Burdens Grant Reserve		-1,600				-1,600
FNBAL/H334 Restructuring Reserve		-9,600				-9,600
FNBAL/H369 Pensions Triennial Revaluation Reserve	50,540	-26,130				24,410
FNBAL/H326 VAT Shelter Reserve			26,060			26,060
Net after Movements in Earmarked Reserves	2,217,390	-26,950	-22,320	-46,720	-22,620	2,098,780

- 4.2 The difference between the revised and original estimate is a decrease in net expenditure of £104,900 or a decrease in net expenditure of £118,610 after allowing for movements on earmarked reserves.

5 KEY MOVEMENTS FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE

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

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20 £
<p><u>CEXEC: Chief Executive's Department</u> Employee turnover within the Chief Executives Department has been lower than that built in to the original budget estimate. This, along with the employment of a temporary dog warden post increases the estimated expenditure on direct employee costs for the year (£18k).</p> <p>It has also been necessary to engage an external pest control service during the financial year to ensure continuation of the service during a period of staff shortages (£8k).</p>	26,460
<p><u>CLOFF: Council Offices</u> A budget of £12k has been brought in for the refurbishment of the council offices' canteen which is to be funded from the equipment reserve (approved by this Committee in November 2019).</p> <p>Funds were set aside in the repairs and maintenance reserve at the end of the 2018/19 financial year to fund the cost of painting the Council Offices. Detailed costings for the work, which is to be completed by the Engineering Section, have been undertaken and the estimated cost of £28k has now been brought into the Council Offices budget.</p>	12,000 27,950
<p><u>COMPR: Computer Services</u> Software maintenance costs have increased at revised estimate. £7k of this is due to year one revenue costs associated with the corporate firewall capital scheme which has been offset in part by a credit received of -£2k for the trade in of returned hardware. The remaining increases are variations to standard budgeted inflation.</p> <p>The council successfully bid for cyber resilience funding from the Local Government Association during the 2018/19 financial year. The funds were moved to an earmarked reserve and this expenditure brings in a budget to expend the funds on external consultancy support in the current financial year to review the council's resilience and recovery arrangements.</p>	6,130 10,000

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20 £
<p><u>DISTC: District Elections</u> Budgeted costs in respect of the 2019 district election which were incurred towards the end of the 2018/19 financial year have reduced this year's estimate. Costs for district elections are funded from funds set aside in the elections reserve.</p>	-18,880
<p><u>ELECT: Register of Electors</u> The council has received a new burdens grant from central government to continue to support the additional costs involved in introducing Individual Electoral Registration (IER).</p>	-17,790
<p><u>ESTAT: Estates</u> Income received for the sale of council land at Peel Park, Claremont Drive and Shay Lane. It is anticipated that after accounting for associated net valuation fees approximately £12k of this will be moved to the capital earmarked reserve to help fund future capital expenditure.</p>	-13,100
<p><u>FMISC: Finance Miscellaneous</u> Funding has been received from central government to support local councils with any costs incurred in preparation for the EU Exit (-£35k). Any unspent funds in the current year will be set aside in the EU Exit Reserve to meet future associated costs. It is also anticipated that the council will receive transparency code new burdens grant of -£8k this year.</p> <p>The value of VAT shelter income to be received in the current financial year from Onward Homes has been forecast and a budget brought in. This will be transferred to the VAT shelter earmarked reserve.</p> <p>The difference between the council's budgeted employer pension liability (at 16.5% of estimated pensionable pay at revised estimate) and the lump sum payment invoiced from the pension service in 2019 has decreased. The difference between the actual payment and our estimated current year liability is transferred to the pensions triennial reserve.</p>	-43,070 -26,060 26,130
<p><u>RESOR: Resources Department</u> Employee turnover within the Resources Department has been higher than that built in to the original budget estimate. This reduces the estimated expenditure on direct employee costs for the year.</p>	-18,810

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20 £
<p><u>NNDRC: National Non Domestic Rates</u> A budget of -£9k has been brought in at revised estimate for funding that has been received from the Ministry of Housing, Communities and Local Government for software and administrative costs of retail discount legislation. This has been offset by associated software costs of £2k.</p>	-7,500
<p><u>Support Service Costs</u> There is a net decrease in support service costs charged to this committee following changes to various departmental cost allocations</p>	-46,720
<p><u>Movement in Capital (Depreciation Charges)</u> There have been reductions to the depreciation charges for Council Offices (-£15k) and the Resources Department (-£12k) due to revaluations and also a delay in the introduction of the new telephone system.</p>	-27,220

6 CONCLUSION

6.1 The difference between the revised and original estimate is a decrease in net expenditure of £118,610 after allowing for transfers to and from earmarked reserves.

7 RISK ASSESSMENT

7.1 The approval of this report may have the following implications

- Resources: approval of the revised estimate would see an decrease in net expenditure of £104,900 or £118,610 after movements on earmarked reserves.
- Technical, Environmental and Legal: none identified
- Political: none identified
- Reputation: sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

8 RECOMMENDED THAT COMMITTEE

8.1 Agree the revenue revised estimate for 2019/20.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF2-20/VT/AC

19 December 2019

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None

**POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
CEXEC: Chief Executives Department					
Employee turnover within the Chief Executives Department has been lower than that built in to the budget. This, along with the employment of a temporary dog warden post increases the estimated expenditure on salaries, national insurance and superannuation for the year.	18,520				
There has been additional expenditure on overtime which has increased the estimate for the year, particularly with regards to additional hours worked on elections.	1,370				
It has been necessary to engage an external pest control service during the financial year to ensure continuation of the service during a period of employee staff shortages.	7,940				
The annual deficit recovery payment for superannuation is allocated across the authority based on an updated estimate of pensionable salaries within the service area, which in this case were higher than originally estimated.	2,030				
Lower take up of the lease car scheme than allowed for in the base original estimate.	-4,490				

**POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Cost of subscription to online legal services for 2019/20 is below that provided for in the original estimate.	-2,400				
Net increase in support service costs due to changes in cost allocations from council premises and the ICT and Resources Departments.			12,650		
An increase to the net cost of the department overall as a result of the reasons listed above increases the recharges out to other service areas.			-36,140		
Total Chief Executives Department					-520
CIVCF: Civic Functions					
A temporary reduction to contractual hours for a post has reduced employee basic salary costs for the revised estimate.	-2,630				
A reduction to transport related costs within the estimate. Comprising of a reduction to the insurance cost for the year and also lower diesel costs than estimated due to reduced mileage.	-740				
Net decrease in support service costs due to changes in cost allocations from the Chief Executives and Resources Departments.			-820		
Total Civic functions					-4,190
CIVST: Civic Suite					

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Repairs and maintenance requirements for the year are lower than expected allowing for prioritisation of expenditure on other areas.	-1,200				
Increased depreciation charge as a result of the refurbishment work in the 2018/19 capital programme.				4,850	
Reduction in demand for hire of the Civic Suite particularly with regards to the Coroners Office has reduced the level of income estimated for the year.		1,230			
An increase to the net cost of the Civic Suite has increased the recharges out to other service areas.			-5,170		
Total Civic Suite					-290
CLOFF: Council Offices					
A post previously charged to the Council Offices budget is now being accounted for within the Resources Departmental budget. This has resulted in a decrease to the estimated expenditure on salaries, national insurance and superannuation for the year within this cost centre.	-2,780				
Increased requirement for temporary staffing to cover a prolonged period of absence.	1,340				
Repairs and maintenance requirements for the year have been lower than expected allowing for prioritisation of expenditure on other areas.	-4,000				

**POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Budget brought in for the refurbishment of the council offices' canteen which is to be funded from the Equipment Reserve (approved by this Committee in November 2019).	12,000				
Funds were set aside in the Repairs and Maintenance Reserve at the end of the 2018/19 year to fund the cost of painting the council offices. Detailed costings for the work, which is to be completed by the Engineering Section, have been undertaken and the estimate has been brought into the budget.	27,950				
The transitional surcharge that applied to the council offices annual business rates liability following a reduction in the premises rateable value has now ended, reducing the estimate for the 2019/20 financial year.	-2,150				
Increases to the estimates for current year utility charges, particularly with regards to electricity where the estimate has been increased by £2,600 to account for backdated capacity mechanism charges (contribution to a scheme that ensures the UK meets future electricity needs).	4,100				
Decrease to the depreciation estimate as a result of the latest revaluation at 31 March 2019.				-14,770	

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
The increased overall net cost of the council offices as a result of the reasons listed above has in turn increased the recharges out to other service areas.			-21,630		
Total Council Offices					60
CLTAX: Council Tax					
An analysis of spend on postage costs for the first six months of the financial year plus an estimate for the remainder indicates that outturn is likely to be lower than the original estimate.	-2,500				
One-off contribution to a joint procurement exercise to negotiate costs relating to Allpay charges over the next four years. The cost has been offset in part by savings which were being paid elsewhere in order to access Allpay.	1,290				
The court costs charged to the council per summons have reduced.	-1,920				
Estimated annual income for the recovery of the cost of summonses is estimated on a 3-year average. Following analysis of the 2016/17 - 2018/19 financial years the budget has been reduced at revised estimate.		1,910			
Net decrease in support service costs due to changes in cost allocations from the ICT, Community, Chief Executives and Resources Departments.			-11,380		
Total Council Tax					-12,600

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
COMPR: Computer Services					
Software maintenance costs have increased at revised estimate. £7k of this is due to year one revenue costs associated with the corporate firewall capital scheme, which have been offset in part by a credit received for the trade-in of returned hardware (see below). The remaining increases are variations to standard budgeted inflation.	8,530				
Credit received for the trade-in of returned hardware.		-2,400			
Grant funded external consultancy support to review the council's resilience and recovery arrangements. To be funded from the Cyber Resilience Earmarked Reserve.	10,000				
Increase in support service costs due to changes in the annual recharge for the Council Offices.			1,020		
An increase to the overall net cost of the service as a result of the reasons listed above has increased the recharges out to other service areas.			-18,060		
Total Computer Services					-910
CORPM: Corporate Management					

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Net increase in support service costs due to changes in cost allocations from the Community, Chief Executives, Resources, and Economic Development and Planning Departments.			11,010		
Total Corporate Management					11,010
COSDM: Cost of Democracy					
To account for Member conference expenses within the Cost of Democracy cost centre. The budget has been moved in from other areas, mainly from the Resources Department.	3,030				
Lower spend this year on special allowances due to the timing of the district elections and approval of special responsibility position holders.	-1,430				
Net increase in support service costs due to changes in cost allocations from council premises and the ICT, Community, Chief Executives, Resources, and Economic Development and Planning Departments.			12,930		
Total cost of democracy					14,530
CSERV: Corporate Services					
The estimated cost per edition of the Ribble Valley News is below estimate.	-1,250				
Net increase in support service costs due to changes in cost allocations from the Community and Resources Departments.			8,580		
Total Corporate services					7,330

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
DISTC: District Elections					
Some costs on the District Election which were budgeted to take place in the current financial year were incurred towards the end of the 2018/19 financial year, reducing this year's estimate.	-18,880				
Total District Elections					-18,880
ELADM: Election Administration					
Increase to support service costs from other departments following an analysis of time spent on elections in the 2019/20 financial year.			26,600		
Total Election Administration					26,600
ELECT: Register of Electors					
Due to the number of elections falling in the current financial year there has been above average expenditure on casual employee costs.	930				
The actual cost of undertaking the canvas was lower than allowed for in the original estimate.	-1,610				
Higher than average postage costs have increased the estimate.	2,120				
Reclaim of software maintenance costs relating to elections.	-3,900				
The fee payable for the council's annual data protection registration has increased following a revision to the pricing structure under the Data Protection (Charges and Information) Regulations 2018.	2,430				

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Individual Electoral Registration grant received in year.		-17,790			
Net decrease in support service costs due to changes in cost allocations from the Chief Executives and Resources Departments.			-12,950		
Total Register of Electors					-30,770
EMERG: Community Safety					
Net decrease in support service costs due to changes in cost allocations from the ICT, Community, Chief Executives and Resources Departments.			-950		
Total Community Safety					-950
ERNET: Emergency Radio Network					
Budget that was previously held under the Two Way Radio cost centre (TWOWR) is now to be recorded separately under ERNET. The budget holds contributions from various Lancashire Councils towards the upkeep of the Lancashire Emergency Radio Network and associated expenditures.	2,870	-2,800			
					70
ESTAT: Estates					
The rental of a council owned building (the former physio centre) has resulted in a reduction to the council's annual NNDR liability.	-3,720				
Expenditure on the valuation of council land, £2,090 of which has been recharged.	5,640	-2,090			

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Income received for the sale of council land at Peel Park, Claremont Drive and Shay Lane. It is anticipated that after accounting for net valuation fees approximately £12k of this will be moved to the capital earmarked reserve to help fund future capital expenditure.		-13,100			
Increase to the estimated income for rental of council buildings following rental of the former physio centre.		-2,920			
Total Estates					-16,190
FGSUB: Grants and Subscriptions					
The annual budget for voluntary organisation grants has been increased following this Committee's decision in June 2019 to provide a one-off payment of £10k to LCC to provide financial support towards the operation of the 280 Preston to Skipton bus service for a period of 12 months. The original estimate for 2020/21 has been reduced by the same value.	4,190				
Decrease in support service cost allocation from the Resources Department.			-1,770		
Total Grants and Subscriptions					2,420
FMISC: Finance Miscellaneous					

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
A budget has been brought in to account for the council's mandatory five-yearly revaluation of assets which is due in the current financial year. The cost of the revaluation will be met from funds that have been set aside annually in the revaluation reserve.	9,040				
The budget for audit fees payable to Grant Thornton has been increased for additional audit work that was carried out on the 2018/19 financial accounts.	4,500				
From September 2019 the rates charged from the council's banking provider for the processing of direct banking transactions has reduced.	-3,440				
Reduction in external audit fees (Housing Benefits Subsidy audit) budget following a procurement exercise.	-2,650				
Decrease in support service cost allocation from the Resources Department.			-2,490		
Transparency code new burdens grant expected to be received in the current financial year.		-8,100			
Forecast VAT shelter income to be received in the current financial year from Onward Homes. To be transferred to the VAT shelter earmarked reserve.		-26,060			

**POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
This is funding received from central government to support local councils with any costs incurred in preparation for the EU Exit. Any unspent funds in the current year will be set aside in the EU Exit Reserve to meet future associated costs.		-34,970			
Surplus audit fees redistributed to local authorities nationally by Public Sector Audit Appointments Ltd (PSAA).		-3,740			
This movement represents a decrease to the difference between the council's budgeted employer pension liability (at 16.5% of estimated pensionable pay) and the lump sum future service payment invoiced from the pension service in 2019. The difference is transferred to the pensions triennial reserve to smooth out the cost of future liabilities.	26,130				
Total Finance Miscellaneous					-41,780
LANDC: Land Charges					
The risk rating for Land Charges insurance has been increased by our insurers following an increase to the number of claims nationally. This has resulted in an increase to the annual cost of insurance charged to the Land Charges section.	1,060				

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Net decrease in support service costs due to changes in cost allocations from the Community, Chief Executives, Resources and Economic Development and Planning Departments.			-13,840		
Income received to the date of the review was higher than the original estimate following an increase to the number of searches carried out for the period to November.		-3,230			
Total Land Charges					-16,010
LICSE: Licensing					
Cost of membership to the National Anti Fraud Network in order to access the National Database for taxi drivers (Licensing Committee April 2018).	1,520				
Net increase in support service costs due to changes in cost allocations from the Chief Executives and Resources Departments.			3,340		
Total Licensing					4,860
LUNCH: Luncheon Clubs					
Increase in support service cost allocation from the Economic Development and Planning Department.			1,220		
Total Luncheon Clubs					1,220
NNDRC: National Non Domestic Rates					

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Cost of an update to the software system to ensure compliance with 2019 legislation concerning the retail discount (£1,730). The council has received a new burdens grant from the Ministry of Housing, Communities and Local Government to meet the software and administrative costs resulting from this legislation (-£9,230).	1,730	-9,230			
Net decrease in support service costs due to changes in cost allocations from the Community, ICT, Chief Executives and Resources Departments.			-4,800		
Estimated annual income for the recovery of the cost of summonses is estimated on a 3-year average. Following analysis of the 2016/17 - 2018/19 financial years the budget has been reduced at revised estimate.		1,150			
Total National Non Domestic Rates					-11,150
PARGR: Parish Grants					
Payment of £300 to Bowland with Leagram Parish Council for the cost of siting new benches and £750 to Wiswell Parish Council for new signage. Both to be funded from the residual performance reward grant reserve from funds set aside for this purpose.	1,050				
Total Performance Reward Grant					1,050
RESOR: Resources Department					

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Employee turnover to date is above that budgeted for, resulting in an decrease in expenditure on direct employee costs.	-18,810				
The budget for Member conference expenses within the corporate training budget under RESOR has been moved to the Cost of Democracy cost centre (COSDM).	-2,970				
There has been an increase in car allowance costs resulting from increased mileage claims.	1,330				
Vehicle insurance allocations are based on claims history which has increased the cost to the Resources Department for the 2019/20 financial year.	1,660				
One-off software and consultancy costs for an upgrade to the financial system. The upgrade enables production of a full audit trail to validate the calculation of the council's VAT returns which must be submitted in digital format from October 2019. Cost to be met from the Equipment Reserve.	4,900				
Funds set aside in reserve at the end of the 2018/19 financial year to pay for new training laptops have been brought in to the budget this year following purchase of the equipment. An associated movement in earmarked reserve releases the funds previously set aside.	3,130				

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Budget for paper and stationery reallocated to various cost centres following analysis of expenditure apportionments to the date of review.	-3,690				
A change of supplier for the council's main telephone system has generated additional maintenance costs this year during a cross-over period. The change of supplier will generate future annual savings.	2,070				
Increases to software maintenance costs including annual support costs of £1,600 for ICON payments system 3D secure (P&F Committee September 2019) and £460 for annual maintenance of the audit trail element of Making Tax Digital. A contingency of £5,160 to meet the potential cost of an over inflationary increase to an annual licence has also been brought into the budget, the final amount payable was unknown when the budget was estimated as negotiations were still underway. The cost of the ICON 3D secure for 2019/20 is to be met from the Council Tax new burdens reserve.	7,540				
Net increase in support service costs due to changes in cost allocations from council premises and the ICT Department.			9,290		

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Reduction to the depreciation charge due to the delays in the implementation of the new telephone system (which had originally been budgeted for).				-12,450	
Decrease to the net cost of the service overall as a result of the reasons listed above has resulted in decreased recharges out to other service areas.			-3,400		
Total Resources Department					-11,400
Other Variances	-7,760	-440	40	-250	-8,410
Subtotal	87,020	-122,580	-46,720	-22,620	-104,900
MOVEMENT IN EARMARKED RESERVES					
FNBAL/H328 Repairs and Maintenance reserve: Release of funds set aside in 2018/19 for painting of the council offices.	-27,950				-27,950
FNBAL/H337 Equipment Reserve: Release from reserve to fund the refurbishment of the council offices canteen (P&F Committee November 2019)	-12,000				-12,000
FNBAL/H294 Cyber Resilience Grant Reserve Release of funds set aside to fund expenditure on review of the council's resilience and recovery arrangements, the expenditure for which is expected to take place in the current financial year.	-10,600				-10,600

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
FNBAL/H230 Elections Fund Reserve Reduction to the estimated release from reserve to fund the cost of the District Election. £18k of the expenditure with a matching release from reserve fell in the 2018/19 financial year.	18,230				18,230
FNBAL/H330 Capital Reserve Contribution to the capital reserve for the cost of a server move required to ensure that the Civica APP system, which is used by the Land Charges Section, continues to receive windows support and maintenance. The expenditure is to be capitalised as part of the council's PC replacement/ upgrade capital scheme and this contribution will help fund the scheme.	1,520				1,520
FNBAL/H330 Capital Reserve Contribution to the capital reserve for sale proceeds less associated net costs in respect of the sale of council land.	-1,230	13,100			11,870
FNBAL/H269 Revaluation of Assets Reserve Release of funds from reserve for estimated the cost of the five-yearly valuation of the council's assets.	-9,400				-9,400

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
FNBAL/H289 EU Exit Funding Reserve This is funding received from central government to support local councils with any costs incurred in preparation for the EU Exit.		34,970			34,970
FNBAL/H326 Performance Reward Grant Reserve Release from reserve of funds set aside to fund specific projects that have been expended in the current financial year.	-1,050				-1,050
FNBAL/H262 ICT Equipment Reserve Release from reserve of funds set aside in the 2018/19 financial year to fund training laptops in the current financial year.	-3,130				-3,130
FNBAL/H302 Local Council Tax Support New Burdens Grant Reserve Release from reserve to fund the cost of ICON payments system 3D secure (P&F Committee September 2019).	-1,600				-1,600
FNBAL/H334 Restructuring Reserve Release from reserve to fund the 2019/20 cost of a restructure of the HR section (P&F Committee April 2019).	-9,600				-9,600

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
FNBAL/H337 Equipment Reserve Release from reserve to fund the cost of an upgrade to the financial system to enable the mandatory processing of digital VAT returns from October 2019.	-4,900				-4,900
FNBAL/H369 Pensions Triennial Revaluation Reserve Contribution to reserve to equalise the difference between prepaid superannuation and the estimate of what is due to be paid.	-26,130				-26,130
FNBAL/H325 Vat Shelter Reserve: There is a decrease in the contribution to the reserve due to a decrease in the anticipated income to be received from Onward Homes under the agreement.		26,060			26,060
Total Movement in Earmarked Reserves	-87,840	74,130	0	0	-13,710
Total Movement	-820	-48,450	-46,720	-22,620	-118,610

ACTUAL TO DATE WITH ORIGINAL ESTIMATE AND PROPOSED REVISED ESTIMATE

Cost Centre	Description	Original Estimate to End November	Actual and Commitments to end November	Full Year Original Estimate	Proposed Revised Estimate
CEXEC	Chief Executives Department	722,514	736,437	0	0
CIVCF	Civic Functions	35,934	31,904	61,430	57,380
CIVST	Civic Suite	24,148	23,721	0	0
CLOFF	Council Offices	151,375	136,163	0	0
CLTAX	Council Tax	41,188	32,371	375,450	360,640
COMPR	Computer services	82,874	71,639	0	0
CORPM	Corporate Management	0	0	342,600	353,610
COSDM	Cost of Democracy	170,339	188,448	476,670	490,560
CSERV	Corporate Services	26,720	12,346	163,230	170,620
DISTC	District Elections	120,000	101,137	120,000	101,120
ELADM	Election Administration	0	0	24,660	51,260
ELECT	Register of Electors	57,110	34,963	109,570	79,180
EMERG	Community Safety	5,467	4,470	65,210	64,230
ERNET	Emergency Radio Network	-2,000	-340	0	70
ESTAT	Estates	-20,989	-36,379	70,360	53,970
FGSUB	Grants & Subscriptions - Policy & Finance	115,763	144,877	169,670	172,090
FMISC	Policy & Finance Miscellaneous	5,189	-397,355	43,370	-490
LANDC	Land Charges	-34,191	-37,007	28,660	12,300
LICSE	Licensing	-66,944	-72,347	29,770	33,320

ACTUAL TO DATE WITH ORIGINAL ESTIMATE AND PROPOSED REVISED ESTIMATE

Cost Centre	Description	Original Estimate to End November	Actual and Commitments to end November	Full Year Original Estimate	Proposed Revised Estimate
LUNCH	Luncheon Clubs	13,430	2,760	14,520	15,740
NNDRC	National Non Domestic Rates	8,556	-33,035	48,570	36,300
PARGR	Parish Council Grants	0	1,050	0	1,050
RESOR	Resources Department	1,373,286	1,339,469	11,950	0
SUPDF	Superannuation Deficiency Payments	64,121	55,966	99,010	96,850
Committee Subtotal		2,893,890	2,341,258	2,254,700	2,149,800
Earmarked Reserves					
FNBAL/H326	Performance Reward Grants Reserve	0	-1,050	0	-1,050
FNBAL/H230	Election Fund Reserve	-120,000	-101,137	-90,000	-71,770
FNBAL/H269	Revaluation of Assets Reserve	0	0	2,150	-7,250
FNBAL/H321	VAT Shelter Reserve	0	0	0	26,060
FNBAL/H288	Pensions Triennial Revaluation Reserve	0	0	50,540	24,410
FNBAL/H328	Repairs and Maintenance Reserve	0	0	0	-27,950
FNBAL/H337	Equipment Reserve	0	-8,187	0	-16,900
FNBAL/H294	Cyber Resilience Grant Reserve	0	0	0	-10,600
FNBAL/H330	Capital Reserve	0	11,870	0	13,390
FNBAL/H289	EU Exit Funding Reserve	0	34,970	0	34,970
FNBAL/H262	ICT Equipment Reserve	0	-3,130	0	-3,130
FNBAL/H302	LCTS New Burdens Grant Reserve	0	-1,600	0	-1,600
FNBAL/H334	Restructuring Reserve	0	-3,260	0	-9,600
Subtotal Earmarked Reserves		-120,000	-71,524	-37,310	-51,020
Total		2,773,890	2,269,734	2,217,390	2,098,780

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 21 JANUARY 2020
title: ORIGINAL REVENUE BUDGET 2020/21
submitted by: DIRECTOR OF RESOURCES
principal author: VALERIE TAYLOR

1 PURPOSE

- 1.1 To agree the draft revenue budget for 2020/21, for consideration at Special Policy and Finance Committee.

2 BACKGROUND

3 Year Budget Forecast

- 2.1 The Council's three year budget forecast was presented to Policy & Finance Committee in September. Whilst every year it is extremely challenging to predict funding, nearly all of our major income streams are currently very difficult to forecast in the present climate. Our forecast in September predicted the following budget gaps; £0k in 2020/21, £372k in 2021/22, £410k in 2022/23, after allowing for the use of general fund balances.
- 2.2 2019/20 is the last year of the Government's 4 year multi settlement. From 2020/21 we were expecting substantial local government finance reforms. However in September the Government wrote to all councils announcing that a decision has been taken to delay the implementation of 75% business rates retention and the Fair Funding Review until April 2021. They also announced that 75% business rates pilots will come to an end at the end of March 2020 with no new pilots planned for 2020/21.
- 2.3 Policy and Finance Committee recommend that service committees;
- budget based on the current levels of service provision
 - increase their fees and charges by inflation (2%) where possible
 - only consider growth items which can be funded by identified savings

Spending Round 2019

- 2.4 The Spending Round 2019 was announced on 4 September 2019 and whilst it is for one year only it does provide Councils with some certainty as to next year's funding.
- The Chancellor announced some extra funding for adult and children's social care. He also announced that key grants to local government will continue next year.
 - The future of the New Homes Bonus scheme remains uncertain. Legacy payments will be honoured but the scheme for 2020/21 is still for discussion with ministers. We currently rely on £1.105m to fund our revenue budget each year and also use some of our allocation to fund the capital programme
 - Funding to remove negative RSG will continue for 2020/21.

- A 2% maximum council tax increase and a further 2% increase for Adult Social Care Precept for illustrative purposes. As is customary however, the government will consult on Council Tax Referendum Principles as part of the Local Government Finance Settlement.

General Election

- 2.5 The General Election has resulted in the announcement of the Provisional Local Government Finance Settlement being put back until after the election.
- 2.6 There is also considerable uncertainty with further Local Government Funding as all the major parties set out quite different spending priorities. Hopefully by the time of your meeting the position will be clearer.
- 2.7 Given all of these uncertainties the service committee budgets have been prepared based on the current level of service plus inflation. Where unavoidable service costs have arisen, these are highlighted.

3 BUDGET PROCESS

- 3.1 Presented to committee for decision in November were the proposed fees and charges for 2020/21. The consequential impact of these approved fees and charges have been incorporated in to the service budgets shown within this report.
- 3.2 Following a great deal of in-depth service analysis and meetings with regard to this committees budgets by the council's accountants, budget holders, heads of service and management team, a proposed draft budget is now presented to members. This budget is agreed as that which best reflects the services of this committee for the next financial year.
- 3.3 When all committees have approved their detailed estimates the overall position will be considered by Budget Working Group.
- 3.4 The Budget Working Group will then make recommendations in order to produce a balanced budget for consideration at the Special meeting of Policy and Finance Committee. The final budget report will then be presented to Full Council, at which point the Council Tax for 2020/21 will also be approved.

4 2020/21 DRAFT REVENUE BUDGET

- 4.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for pay increases at 3% and price increases at 2%.
- 4.2 Within this report the budget is shown in the same manner in which they are reviewed. Each costs centre within the report is shown individually. Behind each costs centre is a great deal more subjective level detailed budgets, but for the purposes of this report they are summarised in to the standard local government CIPFA Service Reporting Code of Practice basis.

- **Employee Related:** this group includes the cost of employees, both direct and indirect to the council.

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

4.3 As you will see, the draft proposed budget for 2020/21 for each service area is also built up looking at a number of stages. The starting point is the base budget, being the Original Estimate for the current financial year. A summary of the various elements is given below.

- **Original Estimate 2019/20:** This represents the base budget for the council and assumes no change in service level from that set for the previous year's original estimate.
- **Savings:** Here any savings or additional income that is identified from past service experience or trends would be brought in to the budget to adjust the base budget.
- **Inflation at 3% Pay and 2% Other:** The budget forecast allows for inflation on pay at 3% and prices at 2% (with some exceptions such as grants). This is where that general allowance for inflation is brought in to the individual budget areas.
- **Variation to Standard Budgeted Inflation %:** Inevitably, as we undertake detailed work on the budget it becomes evident that there are some items of income or spend that experience a greater or lower level of inflation. This is where we adjusted for those differing levels of inflation. An example is energy costs.
- **Unavoidable Changes to Service Costs:** This relates to changes to a service, for example where costs are demand driven.
- **Support Services:** Any changes that relate to the recharging of support service costs are included in this column.
- **Capital:** Any changes relating to depreciation and impairment are included in this column

- **DRAFT Original Estimate 2020/21:** The final column is the total of all preceding columns and is constructed from the base budget and any necessary changes to the base that are needed. If approved this will then form the base budget in next year's budget process.

4.4 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2019/20 Original Estimate, to the DRAFT Original Estimate for 2020/21. Comments are also provided on the main variances.

5 COMMITTEE SERVICE ESTIMATES

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

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	1,056,790		31,470	-24,120	510			1,064,650
Transport Related Expenditure	25,620		510	-680	-30			25,420
Supplies & Services	41,210		830		1,770			43,810
Support Services	210,550		0			5,710		216,260
Total Expenditure	1,334,170	0	32,810	-24,800	2,250	5,710	0	1,350,140
Customer & Client Receipts	-560		-20					-580
Other Grants and Contributions	-8,810		0					-8,810
Departmental Recharges	-1,324,800		0			-15,950		-1,340,750
Total Income	-1,334,170	0	-20	0	0	-15,950	0	-1,350,140
Net Expenditure	0	0	32,790	-24,800	2,250	-10,240	0	0

CEXEC: Chief Executives Department

Commentary on Substantial Budget Changes

Employee Related Expenditure

As part of the pension contributions there has historically been payment towards the recovery of the deficit on the pension scheme. However, the latest actuarial valuation has indicated a surplus position for this council and has resulted in a switch from additional contributions to the pension scheme, to the council now receiving a share of the surplus indicated in the last actuarial valuation which has resulted in a variance of -£44k for this department. This variance, which is shown under 'variation to standard budgeted inflation' is partly offset by an increase the employer's superannuation contribution that is payable on pensionable salaries from 16.5% to 18.7% from 1st April 2020 (£18k).

Supplies & Services

Increase to the percentage of paper and stationery budget allocated to the Chief Executive's Department (moved in from other service areas).

Support Services

Net increase in support service costs due to changes in cost allocations from council premises, the ICT, Community and Resources Departments.

Departmental/Miscellaneous Recharges

The increase to the estimated net cost of the department for 2020/21 in turn increases the recharges out to other service areas.

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

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	12,890		380	-170				13,100
Premises Related Expenditure	1,000		20		180			1,200
Transport Related Expenditure	6,470		130	-440	-360			5,800
Supplies & Services	22,420		450					22,870
Support Services	18,650		0			-1,100		17,550
Total Expenditure	61,430	0	980	-610	-180	-1,100	0	60,520
Net Expenditure	61,430	0	980	-610	-180	-1,100	0	60,520

CIVCF: Civic Functions

Commentary on Substantial Budget Changes

Support Services

Net decrease in support service costs due to changes in cost allocations from the Community, Chief Executives and Resources Departments.

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

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	11,860		330	-260				11,930
Premises Related Expenditure	21,910		430	330	-1,420			21,250
Supplies & Services	1,980		40		60			2,080
Support Services	8,930		0			170		9,100
Depreciation and Impairment	24,610		0				4,850	29,460
Total Expenditure	69,290	0	800	70	-1,360	170	4,850	73,820
Customer & Client Receipts	-4,630		-90		2,320			-2,400
Departmental Recharges	-64,660		0			-6,760		-71,420
Total Income	-69,290	0	-90	0	2,320	-6,760	0	-73,820
Net Expenditure	0	0	710	70	960	-6,590	4,850	0

CIVST: Civic Suite

Commentary on substantial budget changes

Premises Related Expenditure

The estimate for premises related expenditure for the 2020/21 year has reduced. This is mainly due to variations in the estimates for utilities and also a reduction to the anticipated repairs and maintenance requirements at the Civic Suite, allowing for prioritisation of spend on other areas.

Depreciation

Increase in depreciation costs largely as a result of the refurbishment work undertaken in 2018/19.

Customer and Client Receipts

Reduction in demand for hire of the Civic Suite, particularly with regards to the Coroners office, has reduced the level of income estimated for the year.

Departmental Recharges

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

5.4 **Cost Centre and Description** CLOFF: Council Offices

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	58,760		1,740	-3,350	-2,570			54,580
Premises Related Expenditure	165,280		3,300	2,680	-5,690			165,570
Supplies & Services	9,360		180		480			10,020
Third Party Payments	1,090		20		-310			800
Support Services	22,840		0			450		23,290
Depreciation and Impairment	50,570		0				-6,260	44,310
Total Expenditure	307,900	0	5,240	-670	-8,090	450	-6,260	298,570
Customer & Client Receipts	-28,980		-580	230				-29,330
Departmental Recharges	-278,920		0			9,680		-269,240
Total Income	-307,900	0	-580	230	0	9,680	0	-298,570
Net Expenditure	0	0	4,660	-440	-8,090	10,130	-6,260	0

CLOFF: Council Offices

Commentary on Substantial Budget Changes

Employee Related Expenditure

A post previously charged to the Council Offices budget is now being accounted for within the Resources Departmental budget. There has also been a reduction to the estimated superannuation costs allocated to this cost centre for the year as a result of the redistribution of a surplus of contributions to the pension deficit.

Premises Related Expenditure

The transitional surcharge that applied to the council offices annual business rates liability following a reduction in the premises rateable value has now ended, reducing the estimate for 2020/21 by -£2.4k. The repairs and maintenance budget has also reduced by -£3k as work that was expected to take place in the 2020/21 financial year has been brought forward to 2019/20. Increases above standard budgeted inflation relate to utility charges.

Depreciation and Impairment

Depreciation costs have decreased largely as a result of the last asset revaluation at 31 March 2019.

Departmental Recharges

The decrease to the net cost of the Council Offices reduces the recharges out to other service areas.

5.5 Cost Centre and Description

CLTAX: Council Tax

This budget is for the cost of administration and collection of council tax. It includes the costs of maintaining the software, postages, bailiff fees, court costs and support services costs.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	71,580		1,440	-690	-4,620			67,710
Support Services	390,090		0			-5,060		385,030
Total Expenditure	461,670	0	1,440	-690	-4,620	-5,060	0	452,740
Customer & Client Receipts	-83,700		-1,670	1,670	1,910			-81,790
Other Grants and Contributions	-2,520		0					-2,520
Total Income	-86,220	0	-1,670	1,670	1,910	0	0	-84,310
Net Expenditure	375,450	0	-230	980	-2,710	-5,060	0	368,430

CLTAX: Council Tax**Commentary on Substantial Budget Changes****Supplies and Services**

Lower postage costs to the date of review following of a reduction to the number of postages has reduced the original estimate by -£2.6k. There has also been a reduction to court costs charged to the Council per summons which has reduced the estimate for the year by -£2k.

Support Services

Net decrease in support costs due to changes in cost allocations from the ICT, Community, Chief Executives and Resources Departments.

Customer and Client Receipts

Estimated annual income for the recovery of the cost of summonses is estimated on a 3-year average. Following analysis of the 2016/17 - 2018/19 financial years the budget has been reduced for 2020/21.

5.6 **Cost Centre and Description**

COMPR: Computer Services

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Premises Related Expenditure	2,930		60		410			3,400
Supplies & Services	77,180		1,540	1,360	3,420			83,500
Support Services	236,630		0			4,490		241,120
Depreciation and Impairment	10,220		0				2,170	12,390
Total Expenditure	326,960	0	1,600	1,360	3,830	4,490	2,170	340,410
Departmental Recharges	-326,960		0			-13,450		-340,410
Total Income	-326,960	0	0	0	0	-13,450	0	-340,410
Net Expenditure	0	0	1,600	1,360	3,830	-8,960	2,170	0

COMPR: Computer Services

Commentary on Substantial Budget Changes

Supplies & Services

Increased costs relate to software maintenance costs increasing above the standard inflation rate plus the revenue impact of the Corporate Firewall capital scheme.

Support Services

Increase to support service costs charged to the Computer Section from the Resources Department.

Depreciation and Impairment

An increase in depreciation charges in respect of assets created as part of the 2019/20 capital programme.

Departmental Recharges

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

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

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Support Services	342,600		0			1,940		344,540
Total Expenditure	342,600	0	0	0	0	1,940	0	344,540
Net Expenditure	342,600	0	0	0	0	1,940	0	344,540

CORPM: Corporate Management

Commentary on Substantial Budget Changes

Support Services

Net increase in support service costs due to changes in cost allocations from the Community, Chief Executives, Resources, and Economic Development and Planning Departments.

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

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	3,850		110	-180				3,780
Supplies & Services	246,060		7,170	0	10,520			263,750
Support Services	226,760		0			9,850		236,610
Total Expenditure	476,670	0	7,280	-180	10,520	9,850	0	504,140
Net Expenditure	476,670	0	7,280	-180	10,520	9,850	0	504,140

COSDM: Cost of Democracy

Commentary on Substantial Budget Changes

Supplies and Services

The unavoidable changes to service costs include the establishment of a budget for the cost of Member conferences (£3k) which has been moved in from other areas, with the majority being from the Resources Department cost centre where expenditures were previously accounted for. A budget has also been established for the annual software support cost of the modgov system, which was approved by this Committee in February 2019 (£7k).

Support Services

Net increase in support service costs due to changes in cost allocations from council premises, the ICT, Community, Chief Executives, Resources and Economic Development and Planning Departments.

5.9 **Cost Centre and Description**

CSERV: Corporate services

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	31,410		630	-1,220				30,820
Support Services	131,820		0			5,170		136,990
Total Expenditure	163,230	0	630	-1,220	0	5,170	0	167,810
Net Expenditure	163,230	0	630	-1,220	0	5,170	0	167,810

CSERV: Corporate Services**Commentary on Substantial Budget Changes****Supplies and Services**

Below standard budgeted inflationary increase to the cost of the Ribble Valley News publications.

Support Services

Net increase in support service costs due to changes in cost allocations from the Community and Resources departments.

5.10 Cost Centre and Description

DISTC: District Elections

Shown here are the costs of holding the local elections, being once every four years. An earmarked reserve is set aside to fund this cost. The next elections are in 2023.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	120,000		3,600	-3,600	-120,000			0
Total Expenditure	120,000	0	3,600	-3,600	-120,000	0	0	0
Net Expenditure	120,000	0	3,600	-3,600	-120,000	0	0	0
Associated Movement in Earmarked Reserves	-90,000		-1,800	1,800	120,000			30,000
Net After Earmarked Reserves	30,000	0	1,800	-1,800	0	0	0	30,000

DISTC: District Elections**Commentary on Substantial Budget Changes****Employee Related Expenditure**

Shown in the original estimate 2019/20 budget are the anticipated costs of running the district election for 2019. Accordingly the budget has been removed for the 2020/21 financial year.

Associated Movement in Earmarked Reserves

The costs of the district elections is met from an earmarked reserve, where resources are set aside on an annual basis. For 2019/20 the -£90k movement was a release of -£120k from the reserve to fund the cost of the 2019 election, less a £30k contribution towards the next election. The estimate has been adjusted for 2020/21 to allow for a contribution to the reserve only.

5.11 **Cost Centre and Description**

ELADM: Election Administration

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Support Services	24,660		0			6,540		31,200
Total Expenditure	24,660	0	0	0	0	6,540	0	31,200
Net Expenditure	24,660	0	0	0	0	6,540	0	31,200

ELADM: Election Administration

Commentary on Substantial Budget Changes

Support Services

Net increase in support service costs due to changes in cost allocations from the Community, Chief Executives and Resources Departments.

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

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

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	10,680		320		-900			10,100
Supplies & Services	53,440		1,070	240	3,520			58,270
Support Services	46,810		0			-6,680		40,130
Total Expenditure	110,930	0	1,390	240	2,620	-6,680	0	108,500
Customer & Client Receipts	-1,360		-30					-1,390
Total Income	-1,360	0	-30	0	0	0	0	-1,390
Net Expenditure	109,570	0	1,360	240	2,620	-6,680	0	107,110

ELECT: Register of Electors

Commentary on Substantial Budget Changes

Employee expenditure

The employee cost of carrying out the canvas has reduced, showing as an unavoidable change in the table above.

Supplies & Services

The unavoidable movement is largely due to an increase to the cost of the council's annual data protection registration following a revision to the pricing structure under the Data Protection (Charges and Information) Regulations 2018.

Support Services

Net decrease in cost allocations from the Chief Executives and Resources Departments.

5.13 **Cost Centre and Description**

EMERG: Community Safety

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	7,290		150	40	120			7,600
Third Party Payments	1,120		20					1,140
Support Services	56,800		0			-1,830		54,970
Total Expenditure	65,210	0	170	40	120	-1,830	0	63,710
Net Expenditure	65,210	0	170	40	120	-1,830	0	63,710

EMERG: Community Safety**Commentary on Substantial Budget Changes****Support Services**

Net decrease in support service costs due to changes in cost allocations from the ICT, Community, Chief Executives and Resources Departments.

5.14 **Cost Centre and Description****ERNET: Emergency Radio Network**

This cost centre holds contributions and associated expenditures of the Lancashire Emergency Radio Network.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	0		0		3,000			3,000
Total Expenditure	0	0	0	0	3,000	0	0	3,000
Other Grants and Contributions	0		0		-3,000			-3,000
Net Expenditure	0	0	0	0	0	0	0	0

ERNET: Emergency Radio Network**Commentary on Substantial Budget Changes**

Budget that was previously held under the Two Way Radio cost centre (TWOWR) is now to be recorded separately under ERNET. The budget holds contributions from various Lancashire Councils towards the upkeep of the Lancashire Emergency Radio Network and associated expenditures.

5.15 **Cost Centre and Description** ESTAT: Estates

The council has many assets, which include land and property. Most are accounted for on their own cost centres, with other residual sites budgeted for here. Individual Heads of Service manage the properties that support their operations and the legal section support this work.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Premises Related Expenditure	9,570		190		-3,830			5,930
Supplies & Services	1,770		40					1,810
Support Services	34,440		0			520		34,960
Depreciation and Impairment	66,650		0				1,620	68,270
Total Expenditure	112,430	0	230	0	-3,830	520	1,620	110,970
Customer & Client Receipts	-42,070		-850	710	-2,120			-44,330
Miscellaneous Recharges	0		0		-70			-70
Total Income	-42,070	0	-850	710	-2,190	0	0	-44,400
Net Expenditure	70,360	0	-620	710	-6,020	520	1,620	66,570

ESTAT: Estates

Commentary on Substantial Budget Changes

Premises related expenditure

The rental of a council owned building has resulted in a reduction to the council's annual NNDR liability.

Depreciation and Impairment

Increased depreciation charges are largely due to the capital work undertaken in 2018/19 at Queensway Garages, Waddington.

Customer and Client Receipts

The unavoidable changes detailed above are due to an increase in annual income following rental of a council owned building, partly offset by a reduction in estimated income following termination of the Salvation Army lease (approved by this Committee in September 2019).

5.16 **Cost Centre and Description**

FGSUB: Grants & Subscriptions - Policy and Fin

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	11,880		240					12,120
Transfer Payments	150,070		3,010	-240	-4,190			148,650
Support Services	7,720		0			-460		7,260
Total Expenditure	169,670	0	3,250	-240	-4,190	-460	0	168,030
Net Expenditure	169,670	0	3,250	-240	-4,190	-460	0	168,030

FGSUB: Grants & Subscriptions - Policy and Fin**Commentary on Substantial Budget Changes****Transfer Payments**

In June 2019 this Committee resolved to provide a one-off payment of £10k to LCC for financial support towards the operation of the 280 Preston to Skipton bus service for a period of 12 months, with the cost to be funded from the Council's voluntary organisation grant's budget from the 2019/20 and 2020/21 financial years. Accordingly, an increase to the grant budget of £4,190 in 2019/20 has been met by a decrease of the same value at original estimate for 2020/21.

5.17 Cost Centre and Description

FMISC: Policy & Finance Miscellaneous

Included in this budget are the council's external audit fees and charges for the council's bank accounts.

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	-49,440		-990		12,850			-37,580
Premises Related Expenditure	590		20					610
Supplies & Services	77,510		1,550	-5,410	-2,700			70,950
Third Party Payments	0		0		2,180			2,180
Support Services	44,760		0			-4,000		40,760
Depreciation and Impairment	0		0				21,700	21,700
Total Expenditure	73,420	0	580	-5,410	12,330	-4,000	21,700	98,620
Interest	-50		0		-230			-280
Other Grants and Contributions	-30,000		0		10,000			-20,000
Total Income	-30,050	0	0	0	9,770	0	0	-20,280
Net Expenditure	43,370	0	580	-5,410	22,100	-4,000	21,700	78,340
Associated Movement in Earmarked Reserves	52,690		1,050		-12,850			40,890
Net After Earmarked Reserves	96,060	0	1,630	-5,410	9,250	-4,000	21,700	119,230

FMISC: Policy & Finance Miscellaneous

Commentary on Substantial Budget Changes

Employee Related Expenditure

The saving is as a result of paying the council's employer current service pension contributions in full at the beginning of the year. The saving for 2020/21 is estimated to be -£37,580 and is reflected under this budget heading.

Supplies & Services

The decreased costs shown as a variation to standard budgeted inflation result from a decrease to the rates charged from the council's banking provider for the processing of direct banking transactions. The estimate for audit fees (Housing Benefits Subsidy audit) has also been reduced following a recent procurement exercise.

Third Party Payments

An estimated budget has been brought in for the cost of the National Fraud Initiative exercise which is undertaken biennially.

Support Services

Decrease in support service cost allocation from the Resources Departments.

Depreciation and Impairment

Increase in depreciation charges as a result of schemes in the 2019/20 capital programme.

Other Grants and Contributions

Reduction in amount shown in respect of the Lancashire Business Rates Pool and the admin charges that would be due as a result of the movement back to the previous 50% business rates pool, following the Government's withdrawal of all pilot pools.

Associated Movement in Earmarked Reserves

Pension savings detailed under 'Employee Related Expenditure' are moved to an earmarked reserve at the end of the financial year. The reduction in the estimated saving for 2020/21 is therefore matched by a reduction in the estimated contribution to the reserve.

5.18 Cost Centre and Description

LANDC: Land Charges

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	3,330		70		1,080			4,480
Supplies & Services	12,220		240	-760				11,700
Support Services	84,680		0			-12,730		71,950
Total Expenditure	100,230	0	310	-760	1,080	-12,730	0	88,130
Customer & Client Receipts	-71,570		-1,440		-3,290			-76,300
Total Income	-71,570	0	-1,440	0	-3,290	0	0	-76,300
Net Expenditure	28,660	0	-1,130	-760	-2,210	-12,730	0	11,830

LANDC: Land Charges**Commentary on Substantial Budget Changes****Employee Related Expenditure**

The risk rating for Land Charges insurance has been increased by our insurers following an increase to the number of claims nationally, which has resulted in an increase to the annual cost of insurance charged to the Land Charges section.

Support Services

Net decrease in support service costs due to changes in cost allocations from the Community, Chief Executives, Resources and Economic Development and Planning Departments.

Customer and Client Receipts

The estimate for income from Land Charges is informed by prior year actuals. An increase to the number of searches undertaken to the date of review in the 2019/20 financial year has increased the original estimate for 2020/21.

5.19 **Cost Centre and Description**

LICSE: Licensing

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	2,860		60					2,920
Supplies & Services	22,370		440	100	1,550			24,460
Support Services	129,020		0			2,930		131,950
Total Expenditure	154,250	0	500	100	1,550	2,930	0	159,330
Customer & Client Receipts	-121,620		-2,430	1,530	-740			-123,260
Other Grants and Contributions	-2,860		0					-2,860
Total Income	-124,480	0	-2,430	1,530	-740	0	0	-126,120
Net Expenditure	29,770	0	-1,930	1,630	810	2,930	0	33,210

LICSE: Licensing

Commentary on Substantial Budget Changes

Supplies and Services

The increase is the result of the cost of membership to the National Anti Fraud Network in order to access the National Database for taxi drivers (Licensing Committee April 2018).

Customer & Client Receipts

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

Support Services

Net increase in support service costs due to changes in cost allocations from the Chief Executives and Resources Departments.

5.20 **Cost Centre and Description**

LUNCH: Luncheon Clubs

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Transfer Payments	13,430		270					13,700
Support Services	1,090		0			1,140		2,230
Total Expenditure	14,520	0	270	0	0	1,140	0	15,930
Net Expenditure	14,520	0	270	0	0	1,140	0	15,930

LUNCH: Luncheon Clubs
Commentary on Substantial Budget Changes
Support Services
 Increase in service cost allocation from the Economic Development and Planning Department.

5.21 Cost Centre and Description

NNDRC: National Non Domestic Rates

The administration and collection of national non-domestic rates

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Supplies & Services	10,580		210	-380				10,410
Support Services	133,190		0			-710		132,480
Total Expenditure	143,770	0	210	-380	0	-710	0	142,890
Government Grants	-90,000		0					-90,000
Customer & Client Receipts	-5,030		-100	100	1,150			-3,880
Other Grants and Contributions	-170		0					-170
Total Income	-95,200	0	-100	100	1,150	0	0	-94,050
Net Expenditure	48,570	0	110	-280	1,150	-710	0	48,840

Commentary on Substantial Budget Changes**Customer and Client Receipts**

The estimated annual income for the recovery of the cost of summonses is based on a 3-year average. Following analysis of the 2016/17 - 2018/19 financial years the budget has been reduced.

5.22 **Cost Centre and Description**

RESOR: Resources Department

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	1,897,780		56,260	-52,750	-2,390			1,898,900
Transport Related Expenditure	23,740		480		2,700			26,920
Supplies & Services	142,670		2,850	30	2,520			148,070
Support Services	209,510		0			-3,110		206,400
Depreciation and Impairment	26,210		0				-630	25,580
Total Expenditure	2,299,910	0	59,590	-52,720	2,830	-3,110	-630	2,305,870
Customer & Client Receipts	-5,120		-100					-5,220
Other Grants and Contributions	-20		0					-20
Departmental Recharges	-2,282,820		0			-17,810		-2,300,630
Total Income	-2,287,960	0	-100	0	0	-17,810	0	-2,305,870
Net Expenditure	11,950	0	59,490	-52,720	2,830	-20,920	-630	0

Employee Related Expenditure

As part of the pension contributions there has historically also been a lump sum payment towards the recovery of the deficit on the pension scheme. However, the latest actuarial valuation has indicated a surplus position for this council and has resulted in a switch from additional contributions to the pension scheme, to the council now receiving a share of the surplus indicated in the latest actuarial valuation. This accounts for -£76k of the variance to standard budgeted inflation shown above. The employers pension contributions payable as a percentage of pensionable pay on a monthly basis has increased from 16.5% to 18.7% for 2020/21 which has partly offset this variance by £29k. The remaining variance to standard inflation is the result of adjustments to estimated direct staffing costs for the department following costings using the most up to date staffing information at the time of the review. The adjustment to budget under unavoidable changes is largely due to movement of budget from the Resources Department cost centre to the Cost of Democracy cost centre (COSDM) in respect of conference expenses.

Transport Related Expenditure

Increase to estimated spend on mileage allowances of £1,360 following an increase to claims plus an increase to vehicle insurance costs of £1,340.

Supplies and Services

Increases to software maintenance costs within the department of £8k are partly offset by decreases in relation to printing and stationery allocations (-£4k) and savings generated from a change of supplier for the main telephone system (-£2k). Estimated software maintenance costs include the unavoidable costs of implementing the digital submission of VAT returns (Making Tax Digital), the purchase of additional adobe licences and a contingency to meet the potential cost of an over inflationary price increase to an annual licence (negotiations ongoing at the time of the budget review).

Support Services

Net increase in support service costs due to changes in cost allocations from the council premises and ICT.

Departmental Recharges

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

5.23 **Cost Centre and Description**

SUPDF: Superannuation Deficiency Payments

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

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	6,770		200	-50				6,920
Third Party Payments	92,240		1,840					94,080
Total Expenditure	99,010	0	2,040	-50	0	0	0	101,000
Net Expenditure	99,010	0	2,040	-50	0	0	0	101,000

6 SUMMARIES

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

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

Cost Centre and Description	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
CEXEC: Chief Executives Department	0		32,790	-24,800	2,250	-10,240		0
CIVCF: Civic Functions	61,430		980	-610	-180	-1,100		60,520
CIVST: Civic Suite	0		710	70	960	-6,590	4,850	0
CLOFF: Council Offices	0		4,660	-440	-8,090	10,130	-6,260	0
CLTAX: Council Tax	375,450		-230	980	-2,710	-5,060		368,430
COMPR: Computer Services	0		1,600	1,360	3,830	-8,960	2,170	0
CORPM: Corporate Management	342,600		0			1,940		344,540
COSDM: Cost of Democracy	476,670		7,280	-180	10,520	9,850		504,140
CSERV: Corporate services	163,230		630	-1,220		5,170		167,810
DISTC: District Elections	120,000		3,600	-3,600	-120,000			0

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

Cost Centre and Description	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
ELADM: Election Administration	24,660		0			6,540		31,200
ELECT: Register of Electors	109,570		1,360	240	2,620	-6,680		107,110
EMERG: Community Safety	65,210		170	40	120	-1,830		63,710
ERNET: Emergency Radio Network	0		0		0			0
ESTAT: Estates	70,360		-620	710	-6,020	520	1,620	66,570
FGSUB: Grants & Subscriptions - Policy and Fin	169,670		3,250	-240	-4,190	-460		168,030
FMISC: Policy & Finance Miscellaneous	43,370		580	-5,410	22,100	-4,000	21,700	78,340
LANDC: Land Charges	28,660		-1,130	-760	-2,210	-12,730		11,830
LICSE: Licensing	29,770		-1,930	1,630	810	2,930		33,210
LUNCH: Luncheon Clubs	14,520		270			1,140		15,930
NNDRC: National Non Domestic Rates	48,570		110	-280	1,150	-710		48,840

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

Cost Centre and Description	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
RESOR: Resources Department	11,950		59,490	-52,720	2,830	-20,920	-630	0
SUPDF: Superannuation Deficiency Payments	99,010		2,040	-50				101,000
Grand Total	2,254,700		115,610	-85,280	-96,210	-41,060	23,450	2,171,210
Associated Movement in Earmarked Reserves	-37,310	0	-750	1,800	107,150	0	0	70,890
Net After Earmarked Reserves	2,217,390	0	114,860	-83,480	10,940	-41,060	23,450	2,242,100

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2019/20	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2020/21
Employee Related Expenditure	3,136,130		93,550	-84,480	-111,420			3,033,780
Premises Related Expenditure	201,280		4,020	3,010	-10,350			197,960
Transport Related Expenditure	55,830		1,120	-1,120	2,310			58,140
Supplies & Services	840,930		19,070	-6,690	19,640			872,950
Third Party Payments	94,450		1,880		1,870			98,200
Transfer Payments	163,500		3,280	-240	-4,190			162,350
Support Services	2,361,550		0			3,230		2,364,780
Depreciation and Impairment	178,260		0				23,450	201,710
Total Expenditure	7,031,930	0	122,920	-89,520	-102,140	3,230	23,450	6,989,870
Government Grants	-90,000		0					-90,000
Other Grants and Contributions	-44,380		0		7,000			-37,380
Customer & Client Receipts	-364,640		-7,310	4,240	-770			-368,480
Interest	-50		0		-230			-280
Departmental Recharges	-4,278,160		0			-44,290		-4,322,450
Miscellaneous Recharges	0		0		-70			-70
Total Income	-4,777,230	0	-7,310	4,240	5,930	-44,290	0	-4,818,660
Net Expenditure	2,254,700	0	115,610	-85,280	-96,210	-41,060	23,450	2,171,210
Associated Movement in Earmarked Reserves	-37,310		-750	1,800	107,150			70,890
Net After Earmarked Reserves	2,217,390	0	114,860	-83,480	10,940	-41,060	23,450	2,242,100

7 EARMARKED RESERVES

- 7.1 In the Original Estimate for 2019/20 this committee planned to take £37,310 from earmarked reserves to support its expenditure in future years. Looking forward to 2020/21, the proposal included in the estimates is that this committee add £70,890 to earmarked reserves
- 7.2 The table below provides a summary of the DRAFT Original Estimate for 2020/21 together with the budgeted impact on the relevant earmarked reserves. Also detailed is a summary of the reasons for the movements on the earmarked reserves.

	DRAFT Original Estimate 2020/21	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	2,171,210	
FNBAL/H230 Election Fund	30,000	Reserve established from monies set aside on an annual basis to smooth out the cost of local elections. Shown here is a contribution to the reserve of £30,000 in preparation for the next election.
FNBAL/H269 Revaluation Reserve	2,190	Reserve established from monies set aside on an annual basis to smooth out the costs of revaluation of assets carried out every five years. This contribution represents the annual contribution to the reserve for the financial year 2020/21
FNBAL/H369 Pensions Triennial Revaluation Reserve	38,700	Reserve established to set aside superannuation savings. This is as the payment will be made in full at the beginning of the year, rather than monthly, resulting in a lower amount due in year. This contribution to the reserve represents the estimated saving to be made in 2020/21.
Committee Net Cost of Services after Movements on Earmarked Reserves	2,242,100	

8 KEY VARIATIONS

- 8.1 The net expenditure for this committee has increased by £24,710 after allowing for associated movements on earmarked reserves. The main reasons for this net increase are summarised in the table below.

Description	Variance Original Estimate 2019/20 to DRAFT Original Estimate 2020/21 £
<p><u>Superannuation</u> As part of the council's pension contributions there has historically been a payment towards the recovery of the deficit on the pension scheme. However, the latest actuarial valuation has indicated a surplus position for this council and this has resulted in a switch from additional contributions to the pension scheme, to the council now receiving a share of the surplus indicated in the last actuarial valuation.</p>	-120,140
<p><u>Inflation</u> Provision for inflationary increases excluding the superannuation adjustment detailed above.</p>	151,520
<p><u>Depreciation and Impairment</u> Movements in Capital charges.</p>	23,450
<p><u>FMISC: Finance Miscellaneous</u> A reduction in membership of the Lancashire Business Rates Pool for 2020/21 reduces the amount of income the council receives for administering the scheme. This is a result of the movement back to the previous 50% business rates pool, following the Government's withdrawal of all pilot schemes.</p>	10,000
<p><u>Support Service Costs</u> There is a net decrease in support service costs charged to the committee following changes to various departmental cost allocations.</p>	-41,060
<p><u>COSDM: Cost of Democracy</u> The software maintenance budget within this cost centre has been increased for the annual revenue cost of the modgov system.</p>	7,250

9 RISK ASSESSMENT

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

- Resources: approval of the original budget for 2020/21 would see a decrease in net expenditure of £83,490 compared with the original budget for 2019/20 or an increase of £24,710 after allowing for movements on earmarked reserves.

- Technical, Environmental and Legal: none identified
- Political: none identified
- Reputation: sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the

10 RECOMMENDED THAT COMMITTEE

- 10.1 Approve the revenue original estimate for 2020/21 and submit this to a special meeting of this committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF3-20/VT/AC
20 December 2019

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 21 JANUARY 2020
title: LOCAL TAXATION WRITE OFFS
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

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

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives/Corporate Priorities

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

2 BACKGROUND

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

Business Rates

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

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

3 CURRENT POSITION

3.1 There is a case where a company has gone into administration and therefore we need to write off this debt. Annex 1 shows details of the debts we are seeking approval to write off against the collection fund – these total £2,488.61 business rates and £60.00 costs.

4 FINANCIAL IMPLICATIONS

4.1 Under the **current** Business Rate Pilot arrangements the cost of Business Rate write offs are met in part by central government 25% and in part by local government, i.e. ourselves 56%, the county council 17.5% and the fire and rescue authority 1.5%.

4.2 RECOMMENDED THAT COMMITTEE

4.3 Approve writing off £2,488.61 Business Rates and £60.00 costs where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF6-20/ME/AC
7 January 2020

Write offs – NNDR

Year	Name	Property	Amount £
ADMINISTRATION			
An administration order is a process designed to protect limited companies from their creditors while a debt restructuring plan is carried out and presented to creditors and courts. It is unlikely that in these cases, as an unsecured creditor, we will receive any funds, but if we do an adjustment will be made of the amount written off.			
2019/20	Sandersons (UK) Ltd	Ramsgreave Bakery, Pleckgate Road, Blackburn	*2,548.61
TOTAL			2,548.61

*including £60.00 costs

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 9

meeting date: 21 JANUARY 2020
title: REVIEW OF FINANCIAL REGULATIONS AND CONTRACT PROCEDURE
RULES
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To recommend to Council the acceptance of the reviewed financial regulations and contract procedure rules.

1.2 Relevance to the Council's ambitions and priorities:

- This report contributes to the council's ambition to be a well-managed council providing efficient services based on identified customer needs.

2 BACKGROUND

2.1 The Council's financial regulations and contract procedure rules are key components of the Council's Constitution and Corporate Governance arrangements.

2.2 These documents are reviewed on an annual basis and any amendments are reported to committee for approval. It is good practice to keep the financial regulations and contract procedure rules under regular review in order to take account of evolving working practices and changes to law.

3 REVIEW OF FINANCIAL REGULATIONS

3.1 The financial regulations cover all aspects of the Council's financial arrangements and activities. They apply to every member and officer of the Council and anyone acting on the Council's behalf.

3.2 The financial regulations form part of the Council's Constitution and as a consequence require the additional approval of Full Council, where changes are made.

3.3 A full review of the existing financial regulations has been carried out and no further changes are required.

4 REVIEW OF CONTRACT PROCEDURE RULES

4.1 Attached at Annex 1 are the revised Contract Procedure Rules following the recent review.

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

- Clarification that exemptions from the Contract Procedure Rules should always be sought from Committee in the first instance. Agreement must continue to be sought from the Head of Legal Services and the Director of Resources where time constraints or urgency restrict the ability to seek committee approval and in such circumstances this should continue to be reported to committee retrospectively. (CPR5 (5.4)).
- Clarification on the arrangements that should be put in place for the scoring of tenders and the parties to be involved. (CPR18 (18.2)).

- Specific requirement to include the financial services section in the calculation of any amounts due for liquidated damages under a contract and its inclusion in the contract documentation where relevant. (CPR27 (20.1v)).
- Amended percentage at which contract variations must be reported to the Head of Legal Services and the Director of Resources from 10 per cent of tender sum to 5 per cent of tender sum. (CPR22 (22.1a)).

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

4.4 With regard to the EU Procurement directives, as the UK leaves the EU on the 31 January we will enter a transition period which will end in December 2020 (unless changed). During this period the EU procurement directives will continue to apply by default. Also, after the end of the transition period, the procurement regulations will also continue to apply, as they are now a part of UK law.

5 RISK ASSESSMENT

- Resources – Operating without financial policies and procedures that are fit for purpose exposes the council to very great risks to its resources.
- Technical, Environmental and Legal – The financial regulations form part of the Council's Constitution. Under the requirements of the Local Government Act 1972 Section 151, the Financial Regulations provide a control framework through which the Director of Resources carries out their statutory duty on behalf of the council.
- Political – None
- Reputation – Financial regulations are an important part of the Council's Governance arrangements and will give the public confidence that the Council manages its financial affairs properly.
- Equality and Diversity – Effective financial and governance arrangements will ensure that equality and diversity matters remain a continued focus

6 RECOMMENDED THAT COMMITTEE

6.1 Recommend to Full Council acceptance of the reviewed (without change) Financial Regulations and revised Contract Procedure Rules

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF9-20/LO/AC

9 January 2019

BACKGROUND WORKING PAPERS:

For further information please ask for Lawson Oddie, extension 4541

DRAFT

Contract Procedure Rules

January 2020



Ribble Valley
Borough Council

www.ribblevalley.gov.uk

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Contract Procedure Rules

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CPR1: Interpretation

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

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

Contract Procedure Rules

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

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

CPR2: Scope and Application

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

CPR3: Responsibilities and Officers' Duties

3.1 Responsible Officers shall always:

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

CPR4: Compliance with Contract Procedure Rules and Legislation

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

CPR5: Exemptions from Contract Procedure Rules

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

5.5 No exemption may be granted:

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

CPR6: Requirements to Obtain Quotations or Tenders

Contracts not requiring tendering

6.1 The following contracts need not be tendered.

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

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

Contracts valued at £50,000 or less

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

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

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

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

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

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

Contract Procedure Rules

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

Contracts valued at more than £50,000

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

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

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

CPR8: Interests of Officers in Contract Matters

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

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

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

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

CPR9: Approved Lists

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

CPR10: Estimates of Contract Value

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

CPR 11: Pre-Tender/Quotation Enquiries

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

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

11.2 In making enquiries:

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

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

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

CPR13: Tender Invitation

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

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

- 13.9 Tenders submitted by facsimile or electronic transmission will **not** be considered.
- 13.10 At the point of inviting tenders, the Head of Legal and Democratic Services must be informed of the closing date and time for receipt of tenders in order that necessary arrangements can be put in place for the opening of any tenders received (CPR14 and CPR15).

CPR14: Receipt of Tenders

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

CPR 15: Opening of Tenders

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

CPR16: Errors or Discrepancies in Tenders etc.

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

CPR17: Contract Negotiations

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

CPR18: Acceptance of Tenders

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

CPR19: Nominated Sub-Contractors and Suppliers

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

CPR20: Form of Contract

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

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

CPR21: Execution of Contracts

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

CPR22: Contract Variation After Award

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

- (a) the tender sum is to be exceeded by ~~40~~5 per cent; or
- (b) a timeframe variation would extend the Contract period by more than three months or by 50 per cent of the original Contract period; or
- (c) if the works, services or goods to be added or deleted from the Contract are substantially different in scope

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

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

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

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

ANNEX 1: EU Procurement Directives – Thresholds and Procedures

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

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

Purpose

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

Current Thresholds (January 2018~~20~~20)

	Value over the full anticipated lifetime of supply £
Supplies and Services	<u>189,330</u> 181,302
Light touch regime services (Previously 'Part B' services)	<u>663,540</u> 615,278
Works	<u>4,733,252</u> 4,551,413
PIN	615,278
Small lots (Services)	<u>70,778</u> 65,630
Small lots (works)	<u>884,720</u> 820,370
<u>Utilities (Supplies and Services)</u>	<u>378,660</u>
Utilities (Works)	<u>4,733,252</u> 4,551,413
<u>Utilities (Small Lots Supplies and Services)</u>	<u>70,778</u>
<u>Utilities (Small Lots Works)</u>	<u>884,720</u>

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

Procurement Routes and Time Limits

Open Procedure

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

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

Restricted Procedure

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

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

Competitive Procedure with Negotiation

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

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

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

Competitive Dialogue

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

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

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.10

meeting date: 21 JANUARY 2020
title: FREEDOM MARCH – DUKE OF LANCASTER’S REGIMENT
submitted by: CHIEF EXECUTIVE
principal author: MARSHAL SCOTT

1 PURPOSE

1.1 To agree to the Duke of Lancaster’s Regiment exercising their right as Free Men of the Borough to March through Clitheroe.

2 BACKGROUND

2.1 The Freedom of the Borough is the highest honour that the Council can bestow on any citizen or body.

2.2 The Council awarded the Freedom of the Borough to the Duke of Lancaster’s Regiment in March 2011.

2.3 Granting Freedom of the Borough grants the regiment the right to march through the borough with due ceremony, drums beating, bands playing and banner flying in recognition of the confidence, trust and friendship existing between the citizens and troops.

2.4 The Duke of Lancaster’s Regiment wish to exercise this right on 28 April 2020 by marching through Clitheroe.

3 ISSUES AND ARRANGEMENTS

3.1 Discussions are taking place regarding the details of the day but it is expected the Regiment will March through Clitheroe, take the Salute in the Market Place, followed by a church service at St Mary’s.

3.2 It is anticipated there will be temporary road closures along the route but any disruption will be kept to a minimum.

4 RISK ASSESSMENT

4.1 Resources – There will be modest costs in setting up the necessary traffic management and refreshments for the Regiment afterwards. The estimated cost is expected to be in the region of £7,500.

Technical, Environmental and Legal – None.

Political – None

Reputation – The Council is recognizing the Regiment’s right to march through the Borough.

5 RECOMMENDED THAT COMMITTEE

5.1 Welcome the Regiment’s request to March through the Borough and agree the budgetary provision. The exact route and timings will be made public nearer the time.

CHIEF EXECUTIVE

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No. 11

meeting date: 21ST JANUARY 2020
 title: CORPORATE PEER CHALLENGE REVIEW FEEDBACK LETTER
 submitted by: DIRECTOR OF RESOURCES
 principal author: MICHELLE HAWORTH – PRINCIPAL POLICY AND PERFORMANCE OFFICER

1 PURPOSE

- 1.1 The purpose of this report is to present committee with the LGA Corporate Peer Challenge Review Feedback letter.
- 1.2 Relevance to the Council's ambitions and priorities:
- Community Objectives – The scope of the Peer Challenge covered:
 - Corporate Priorities – understanding of local place and priority setting,
 - Other Considerations - leadership, governance, financial planning, capacity to deliver and the new Corporate Strategy.

2 BACKGROUND

- 2.1 As part of their 'sector led improvement' support to local government, the Local Government Association (LGA) offered the delivery of a Corporate Peer Challenge. Peer Challenges are designed to help Councils improve their performance.
- 2.2 The Peer Challenge team were originally onsite 20th – 22nd November 2017.
- 2.3 The core components that the team looked at were the issues of leadership, governance, corporate capacity and financial resilience. In addition the agreed scope of the Peer Challenge included promoting local growth and balancing growth and housing.
- 2.4 The full LGA Corporate Peer Challenge Feedback Report was reported to this committee in January 2018. In summary the peer team felt that "Ribble Valley Borough Council has much to be proud about. The council delivers good core services through a committed workforce achieving high levels of customer satisfaction and value for money. The council has a history of prudent financial management and remains in a comfortable position relative to the rest of the sector".
- 2.5 However, there were a number of suggestions and observations made within the report that led to some key recommendations for the Council.
- 2.6 An action plan was formulated and agreed by this committee in March 2018. It was agreed that this committee should be presented with 6 monthly progress reports.
- 2.7 The Peer Challenge Team revisited the Council for two days at the end of September 2019 to carry out their follow-up review. The purpose of the visit was to review progress made since the original Peer Challenge in 2017 and included a review of the new Corporate Strategy 2019-2023 and the Economic Development Plan.
- 2.8 A number of interviews and focus groups were organised at the request of the peer team. The peer team also reviewed a number of the Council's policies and strategies.

3 SUMMARY

- 3.1 The full LGA Corporate Peer Challenge Review Feedback Letter can be found at Appendix A. In summary the peer team felt that:

- “Ribble Valley Borough Council has made clear progress in taking forward the recommendations made by the peer team in 2017.
 - “...it was evident from conversations with staff, members and partners that there is respect for both the political and managerial leadership of the Council and that member and officer relationships are positive.”
 - “The challenge now that the new Corporate Strategy has been adopted is to ensure ambitions and values are fully embedded and understood.”
 - “...the team found that staff have a strong commitment and passion for Ribble Valley and for working together across council service areas to achieve the best outcomes for residents.”
 - “The continued achievements of the Council in relation to service delivery and customer satisfaction (as shown by LG Inform data and the Council’s 2018 perception survey) and prudent financial management are a credit to both the dedication and commitment of members and officers.”
 - “Ensuring recruitment and retention of talented and skilled staff will be critical for future continued success.”
- 3.2 The Peer Challenge team’s recommendations, following their review visit, are set out in Appendix A to the Peer Challenge report.
- 4 NEXT STEPS
- 4.1 A follow up meeting will be arranged with Claire Hogan, North West Principal Adviser, to discuss any follow up needs arising from the Peer Challenge revisit.
- 5 RISK ASSESSMENT
- 5.1 The approval of this report may have the following implications
- Resources - The Council is currently a subscriber to the LGA. The Corporate Peer Challenge was provided by the LGA at no charge. Officer time was required to help organise and support the Peer Challenge. Small cost of lunch and refreshments.
 - Technical, Environmental and Legal – None identified.
 - Political – None identified.
 - Reputation – None identified.
 - Equality & Diversity - None identified.
- 6 RECOMMENDED THAT COMMITTEE
- 6.1 Receive the LGA Corporate Peer Challenge Feedback Letter.
- 6.2 Agree the recommendations as set out in the attached report and for an Action Plan to be brought to a future meeting.

Michelle Haworth
 PRINCIPAL POLICY AND
 PERFORMANCE OFFICER

Jane Pearson
 DIRECTOR OF RESOURCES

BACKGROUND PAPERS:

REF:

For further information please ask for Michelle Haworth, extension 4421

Marshal Scott
Chief Executive
Ribble Valley Borough Council
Church Walk
Clitheroe
BB7 2RA

18 November 2019

Dear Marshal

Following a Local Government Association (LGA) Corporate Peer Challenge (CPC) in November 2017, Ribble Valley Borough Council invited the LGA to conduct a follow-up visit. The purpose of this follow-up visit was to review progress made since the original peer challenge in 2017. The follow up visit took place between 26th and 27th September 2019, approximately 22 months after the original peer challenge.

The peer team used their experience and knowledge of local government to reflect on the information presented to them by the people they met and material they had read both prior to and during this peer challenge revisit.

Scope, focus and peer team

Peer challenge is one of the key tools to support sector-led improvement. It is tailored to meet individual councils' needs, and designed to complement and add value to a council's own performance and improvement focus. The peer team provide feedback as critical friends, not as assessors, consultants or inspectors.

The following peers participated in the follow up visit:

- Stacey Burlet – Chief Executive, Ryedale District Council (Lead peer)
- Councillor Neil Clarke, Rushcliffe Borough Council
- Tracy Darke, Director for Growth, Economy and Culture, Milton Keynes Council
- Cindy Lowthian, Peer Challenge Manager (LGA)

To inform the revisit the peer team spent 2 days on site at Ribble Valley Borough Council. During this time the team met with the Leader and Chief Executive, Senior Leadership Team, Chair of the Economic Development Committee, members, front line staff, senior managers and strategic partners.

In November 2017, the peer team identified a number of recommendations to support the council on its improvement journey. These are shown in **Appendix A**. This revisit focussed on progress made in relation these recommendations as well as the Council's

new Corporate Strategy and Economic Development Plan, which was at the request of the Council.

Summary of findings and observations

Ribble Valley Borough Council (the Council) has made clear progress in taking forward the recommendations made by the peer team in 2017. An action plan, monitored by the Council's Policy and Finance Committee, was produced following the original peer challenge and this shows that most of the recommendations arising from the CPC have been completed or are in progress. This includes the development of the new Corporate Strategy and an Economic Development Plan, both agreed in September 2019. The Council has also progressed with the reorganisation of the planning, economic development and housing service areas into one department to support delivery of its ambitions.

The Council appointed a new Leader in January 2019; it was evident from conversations with staff, members and partners that there is respect for both the political and managerial leadership of the Council and that member and officer relationships are positive.

The peer team were pleased to learn that both staff and members had been encouraged to contribute to the development of the new Corporate Strategy. The challenge now that the new Corporate Strategy has been adopted is to ensure ambitions and values are fully embedded and understood. This will be achieved through ongoing engagement with members, officers and partners. There is also an opportunity to take a fresh look at the Council's performance indicators linked to the new Corporate Strategy, to ensure they are clearly aligned to the Council's ambitions and priorities.

As was the case during the original CPC, the team found that staff have a strong commitment and passion for Ribble Valley and for working together across council service areas to achieve the best outcomes for residents. The continued achievements of the Council in relation to service delivery and customer satisfaction (as shown by LG Inform data and the Council's 2018 perception survey) and prudent financial management are a credit to both the dedication and commitment of members and officers.

Moving forward, a challenge will be to ensure the Council's workforce planning continues to enable effective delivery of the Corporate Strategy in the context of an ageing workforce. In particular, staff recruitment and retention within technical and specialist areas such as planning may pose a particular challenge. Ensuring recruitment and retention of talented and skilled staff will be critical for future continued success. The peer team also received feedback relating to staff perceptions of terms and conditions and how these may compare unfavourably to other councils which are worthy of further exploration e.g. agile working, pay levels and flexi-time.

The original peer challenge recommended that the Council should develop an Economic Development Plan which sets out the economic development ambitions for the borough. The Council's self-assessment shows how this was initially put on hold to allow for the recruitment of a new Economic Development and Planning Director. The peer team were pleased to see that the Director was appointed in August 2018 and that a new Economic Development Plan was subsequently developed and approved on 19th September 2019. It was felt that there is more work to articulate and then move forward on this important agenda. The Council should continue to build on this work through continued engagement with partners, staff and members to ensure a consistent and jointly owned economic development vision and priorities for Ribble Valley. It is the view of the peer team that the Council would benefit from producing a delivery plan, overseen by the Economic Development Committee, which clearly captures the priorities, projects and associated resources for each year of the Economic Plan.

The peer team began to explore a number of themes with the Council as it seeks to future proof its medium term financial strategy against the challenges ahead including: commercialisation, opportunities for service re-design, digitalisation and organisational transformation. The team heard examples of current initiatives, including projects whereby income is generated through investment in community assets like sports pitches, generating income and social value. The Council may wish to consider developing these themes further including the exploration of investment opportunities in other areas such as technology.

The feedback (below) provides further detail on the findings from the peer review team and includes a number of suggestions and recommendations for consideration by the Council.

Corporate Strategy

The CPC undertaken in 2017 made three recommendations relating to the Council's Corporate Strategy.

1. Strengthen engagement with staff and partners to ensure clarity of vision and desired outcomes in relation to the Corporate Strategy, priorities and initiatives.

At the time of the CPC, the Council were proposing to develop a new Corporate Strategy in 2018 and it was the view of the peer team that this would provide the opportunity to strengthen engagement with staff and partners.

A mini review of the strategy was undertaken in 2018 and a new strategy, for 2019 – 2023, was developed following the local election in May 2019. A cross party working group was established in June 2019 to oversee the development of this Corporate Strategy and it was apparent, from discussions with members, that this working group has helped to ensure member ownership, input and challenge to the process.

The Corporate Strategy captures the Council's vision for Ribble Valley as an area "with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors". The Strategy contains five corporate ambitions: a well-managed council providing efficient services; a strong and prosperous Ribble Valley; to help make people's lives safer and healthier; to protect and enhance the exiting environmental quality of the area and to match the supply of homes with housing needs.

The peer team were also told that the ambitions and priorities within the Corporate Strategy were developed using feedback from staff consultation, the Council's Customer Perception Survey (2018) and the priorities of partners as identified in the borough's Sustainable Community Strategy. The peer team were particularly pleased to learn that two thirds of staff comments were subsequently reflected in the Corporate Strategy.

Moving forward, the Council's managerial and political leadership have a key role to play in ensuring the ambitions and values within the Corporate Strategy are fully understood, embedded and continually challenged. There is an opportunity to develop a communication and engagement framework which builds on current engagement methods such as 'Backchat', intranet, Leader's Blog and staff briefings to include opportunities for more face to face engagement with staff, councillors and partners. This could include 'roadshows' and visits to the depot, 'fronted' by the Chief Executive and Leader. It could also involve engagement activities around large corporate themes or projects such as the new 3G sports facilities in Clitheroe. It was clear from discussions with staff that both the Leader and Chief Executive are widely respected and that staff would be receptive to these approaches. Staff also want to have the opportunity to be further involved in developing and delivering the Strategy.

The Council's 'Heads of Service' who are the most senior officers after Departmental Directors, have an important role to play in engaging staff, listening to views and encouraging them to put forward suggestions and ideas to support delivery of the Corporate Strategy. It is the view of the peer team that the Council's 'Heads of Service' group should be used to help strengthen engagement on the Corporate Strategy and its delivery. This could include ensuring the Corporate Strategy is a standing item on future agendas for the 'Heads of Service Group' meetings.

A key objective within the new Corporate Strategy relates to engagement with "all communities to deliver services to meet customer needs". It was clear to the peer team that the Council continues to engage well with parish and town councils through the Parish Council Liaison Committee. Views of residents are also sought through the Citizen's Panel and biennial perception survey. There are opportunities to build on these approaches by strengthening approaches to engagement with young people. Councils can approach this in a variety of ways, just one common example of this is through a 'Youth Cabinet'. The borough has an ageing population, however, many of the challenges faced in Ribble Valley

and captured in the Corporate Strategy are expected to impact on young people including affordable housing, health inequalities and economic growth.

Another priority identified in the Corporate Strategy relates to the Council's re-cycling targets. The peer team noted that, similar to other east Lancashire councils, the Council's recycling rate has deteriorated since 2010/11 from 41% of household waste to 30.8% (DEFRA, September 2019). The peer team heard how the Council is already committed to addressing this. A recent initiative includes work with other Lancashire councils to ensure households can now re-cycle cleaned out pots, tubs and trays for the first time.

- 2. Review the Performance Management Framework linked to the Corporate Strategy.**
- 3. Review the resourcing of Corporate Strategy priorities**

It was the view of the original peer team that the development of a new Corporate Strategy would provide an opportunity to strengthen the Council's performance management framework and ensure it is more clearly aligned to the Council's ambitions, priorities and budget.

The revisit team found that, following the initial 'mini-review' of the Corporate Strategy in June 2018, the Council's Performance Management Framework (PMF) was reviewed and approved by the Policy and Finance Committee in September 2018. The PMF sets out the Council's annual strategic planning and performance cycle, showing how performance is managed, monitored and linked to the budget planning framework. The PMF shows how Heads of Service are responsible for providing regular performance information to committees. Performance is monitored 'in year' by the Corporate Management Team (CMT) and each committee receives an annual report, prepared by the Policy and Performance Officer, detailing year-end performance under their area of responsibility. This report also provides information on targets set for the following year.

The new Corporate Strategy (2019 -2023) identifies five corporate ambitions, nineteen objectives, fifty two priority actions and twenty nine measures of success. During the revisit, the peer team were advised that work will continue to review performance indicators. This provides an opportunity to set out more clearly and prioritise which of the Strategy's objectives and actions should be taken forward this year, in future years or which may not be a priority. This will help to ensure officer capacity and financial resources are targeted at those deemed highest priority and which will deliver the best outcomes for local people. It will also ensure members and officers are able to see clearly how well the Council is doing against stated ambitions in the Corporate Strategy.

The Council's Annual Governance Statement (2018-2019) also highlighted that "there is no formal planned benchmarking of services; however, ad-hoc service comparisons are undertaken as needed". As part of this work, there is an opportunity for the Council to

develop a more consistent approach to benchmarking and target setting in relation to all service areas.

Performance appraisals also form a key element of the performance framework. The original CPC found anecdotal evidence suggesting delivery of appraisals was patchy in some areas and encouraged the Council to review the appraisal system to ensure it is aligned to the new Corporate Strategy. During the revisit, the peer team learned that the appraisal system was reviewed in 2018 and that 95% of the 2018/19 appraisals were conducted which was an improvement on previous years. There is now an opportunity to take a fresh look at the appraisal system to ensure it is clearly aligned to the new Corporate Strategy 2019 – 2023. As highlighted in the Council's Annual Governance Statement, this review should also ensure that the appraisal system incorporates the Council's agreed organisational values and ethical behaviours.

Strengthening the appraisal system, linked to staff engagement, would enable the Council to consider and further develop its strategies for talent management and encouraging staff retention.

Economic Plan

The CPC in 2017 recommended that the Council:

4. Develop an Economic Development Strategy as an opportunity to set out its economic development ambitions linked to the Lancashire Enterprise Partnership and its own Corporate Strategy.

The peer team found that progress has been made against this recommendation. A new Economic Development Strategy was approved on 19 September 2019 following a 4 week public consultation period. Progress also includes the establishment of a cross-party Economic Development Committee that has helped provide governance for the new Plan. The peer team heard how this Committee will continue to have a key role to play in leading and driving delivery of the Economic Plan now that it has been approved.

The Ribble Valley Economic Development Partnership was formed in February 2019 and comprises of a number of local business representatives and Ribble Valley Chambers of Trade members. The aim is to ensure they have a voice in relation to the economic development of the borough. The peer team heard how they were consulted on the priorities within the Economic Plan. Since the original CPC, the Council has also progressed with the reorganisation of the planning, economic development and housing service areas into one department to support delivery of its ambitions, including the appointment of a new Director of Economic Development and Planning. The Leader's membership of the Lancashire Enterprise Partnership reflects the Council's commitment to economic growth and prosperity both within the borough and across the County.

The challenge now is how the Council can build on this work to ensure this economic development vision for Ribble Valley is consistently understood and jointly owned. Peer team discussions with some staff and partners indicate that there is still more work to be done in this area. The communication and engagement framework recommended earlier in this report could help to strengthen approaches on both the Corporate Strategy and Economic Plan.

It is the view of the peer team that the Council would benefit from producing a delivery plan, overseen by the Economic Development Committee, which captures more clearly the priorities, projects and associated resources for each year of the Economic Plan. Whilst the new plan aims to be 'concise' so that it is more business friendly, it comprises a mix of both high level, strategic objectives such as railway improvements to smaller projects and processes including reference to a careers fair and the frequency of meetings for the Economic Development Partnership. The peer team believe the Council have an opportunity to provide clarity on the key projects and priorities that will make a significant difference. The Council may also want to consider aligning the time frame of the Economic Plan which expires in 2022 to that of the new Corporate Strategy and Medium Term Financial strategy which runs up to 2023.

5. Explore opportunities to strengthen early engagement with developers in order to maximise community benefits, as well as opportunities to strengthen community engagement/communication in relation to development

The peer team were not able to explore this recommendation in depth although the Council's own self-assessment and some of the feedback from the re-visit indicate that while progress is being made, this needs to continue. The Council are now operating to the National Planning Policy Framework changes published last summer (2018) which puts an emphasis on the value of pre-application engagement and on the importance of considering design and environmental issues at the pre-application stage. Some examples of community engagement relating to planning developments were also shared with the team, including attendance at a recent community meeting by the Leader and senior officers to discuss a high profile local issue. The peer team would encourage the Council to continue to develop their engagement approaches with both developers and communities.

6. Strengthen engagement between the Leadership and Corporate Management Team (CMT) – including chairs of committees.

Since the original peer challenge, the Council's ruling group has experienced a challenging period politically including a change of Leader in January 2019. It is evident from conversations with staff and members that member and officer relationships are positive. There is respect for both the political and managerial leadership of the Council.

The Corporate Management Team (CMT) meets on a weekly basis and weekly meetings take place between the Chief Executive and the Leader of the Council. Regular meetings also take place with the Leader, Deputy Leader and the Leader of the Liberal Democrats.

The original peer challenge recommendations encouraged the Council to consider developing a programme of 'top team days' and/or meetings between committee chairs and CMT, particularly in the lead up to the development of the new Corporate Strategy. The peer team were pleased to hear that a CMT and Senior members 'away day' was held in May 2018. A further session is scheduled to take place in the next few months which will focus on the Council's ambitions in the new Corporate Strategy. The peer team would encourage the Council and senior members to continue to invest time together to support collaborative working, delivery of corporate ambitions and to meet the challenges ahead.

Other observations

During the re-visit, the peer team made a number of additional observations as follows:

Capacity to deliver

As with the original CPC, the peer team were impressed with the commitment, enthusiasm and passion for the Ribble Valley demonstrated by both officers and members that they met with. A number of examples shared with the peer team demonstrate the flexible approach of staff to service delivery to achieve the best outcomes for residents. Sickness absence rates have reduced from 9.35 days in 2017/18 to 8.14 days in 2018/19. This is within a context of an ageing workforce (Ribble Valley Personnel Committee, September 2019). Staff turnover has increased only slightly in 2018/19 at 15.82% compared to 14.99% the previous year.

Moving forward, a key challenge will be to ensure the Council's workforce planning supports future succession planning and staff retention in the context of an ageing workforce. In particular, staff retention within technical and specialist areas such as planning. The National Audit Office's report 'Planning for New Homes' published in February 2019 highlights the national challenge that planning is facing with attracting and retaining planners.

Linked to this, the peer team found that there are perceptions amongst some staff that the Council's approach to agile working, use of technology, pay levels and flexi-time operation could be developed to compare more favourably with other councils in the region, supporting staff recruitment and retention. Whilst the peer team acknowledge that these may be perceptions, they are worthy of further exploration. Continuing to ensure the workforce are listened to, feel valued and motivated will be vital in meeting the challenges ahead.

The Council's perception survey undertaken in 2018 show high levels of satisfaction with the local area (79%) and customer experience (75%). 60% feel the Council provides value for money, down from 71% in 2015, but still higher than the most recent County Council average (26%). LG inform data shows the Council continues to perform above the average of other North West councils in relation to a range of service areas including: council tax collection rates; processing times for housing benefit claims; new business rate registrations and numbers on the housing waiting list. As referred to earlier, the Council's recycling performance is below the average of other North West councils and the Council is taking action to address this.

Financial planning and viability

The Council continues to have a prudent approach to financial management. Reserves are above the average for North West districts, debt levels are low and the tax base continues to show consistent growth. The Council's self- assessment shows how they have consistently been in the top performing council tax billing authorities over the years with an average in year collection rate of 99%. The Council was the lead authority in the Lancashire Business Rates Pool and is also now the lead authority for the Lancashire Business Rates Pilot Pool, piloting 75% retention.

The Council has increased its element of the council tax only twice in the last ten years and holds the lowest Band D council tax charge in the County. This is in the context of a 40% reduction in government funding since 2010 and future uncertainty on key government funding streams beyond the one year spending review for 2020/21.

In this context, the peer team began to explore a number of themes with the Council as it seeks to future proof its medium term financial strategy against challenges ahead. These themes include service re-design and transformation, the Council's approach to risk, income generation and commercialisation. A number of examples were shared with the peer team which demonstrate the Council's current approaches. This includes a £1.4m investment in a the 3G sports pitch at the Edisford Sports Complex in Clitheroe which aims to generate annual income of £95k from next year. It also includes the recent purchase of two homes for affordable rent using section 106 funding, working in partnership with a social housing provider who will manage them. The team heard how the Council are keen to use learning from this to inform future approaches.

The team did not have enough time to explore all of these themes in detail but would encourage the Council to continue to challenge itself in these areas, particularly as it moves to the implementation phase for both the Corporate Plan and Economic Development Plan.

Summary of recommendations

Ribble Valley has made progress since the peer team's visit in November 2017 and in particular in relation to the Corporate Strategy and the Economic Growth Plan.

To ensure the Council is able to achieve its overarching vision to be:

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

The team recommends that the Council gives particular focus to the following:

- 1) Continue to strengthen communication and engagement approaches in relation to the Corporate Strategy and Economic Plan to ensure ambitions and values are fully embedded and understood. This should include opportunities for more face to face engagement with staff.
- 2) Take a fresh look at the Council's Performance Management Indicators to ensure they are fully aligned to and drive forward delivery of the new Corporate Plan 2019 - 2023.
- 3) Develop a delivery plan which clearly articulates and captures the priorities and associated resources for each year of the Economic Plan, which can then be clearly overseen by the Economic Development Committee.
- 4) Consider aligning the time frame of the Economic Plan to that of the Corporate Strategy and Medium Term Financial Strategy (2019 – 2023)
- 5) Agree a future programme of 'top team days' and/or meetings with senior members and the Corporate Management Team. This will support collaborative working and delivery of corporate ambitions.
- 6) Develop the Council's Workforce Plan to support succession planning, talent management and the recruitment, retention and reward of staff.
- 7) Explore opportunities for the Council to continue to challenge itself, building on its strong financial position. This includes areas such as organisational transformation, service re-design, commercialisation and digitisation. It should also include future appetite for risk, investment and further income generation.

Next steps

We appreciate that the Council will want to reflect on these findings and suggestions with the senior managerial and political leadership in order to determine how the organisation wishes to move forward. A follow up meeting will be arranged with Claire Hogan, North West Principal Adviser, to discuss any follow up needs arising from the peer challenge re-visit.

We would like to thank you for inviting us back to the Council and hope that our feedback helps to support continuous improvement at Ribble Valley Borough Council.

Cindy Lowthian – LGA North West Adviser

On behalf of the Peer Challenge Team

Appendix A

Ribble Valley Corporate Peer Challenge, November 2017 Recommendations

- 1. Strengthen engagement with staff and partners to ensure clarity of vision and desired outcomes in relation to the Corporate Strategy, priorities and initiatives.** The proposed development of a new plan next year provides the opportunity to do this. Early involvement and engagement relating to key initiatives and projects is paramount in fostering shared understanding and ownership. Recognising past successes and building on these will help contribute to future organisational success.
- 2. Review the Performance Management Framework linked to the Corporate Strategy.** This will provide an opportunity to review key goals and KPIs linked to the Plan and identify opportunities to further strengthen corporate monitoring, including the role of committees.
- 3. Review the resourcing of Corporate Strategy priorities.** This will include exploring capacity in key areas in order to deliver ambitions, exploring opportunities for further income generation and the council's own appetite for risk.
- 4. Develop an Economic Development Strategy.** A real opportunity for the council to set out its economic development ambitions linked to the Lancashire Enterprise Partnership and its own Corporate Strategy. The council is ideally placed to use its relatively strong economic position as a platform to secure greater influence and leadership both in Lancashire and the wider north-west region.
- 5. Explore opportunities to strengthen early engagement with developers in order to maximise community benefits, as well as opportunities to strengthen community engagement/communication in relation to development.** During the peer challenge stakeholders raised issues associated with their perception of development and associated infrastructure delivery. The council would benefit from looking at ways it might strengthen early engagement with developers and community engagement to ensure maximum benefits for communities.
- 6. Strengthen engagement between the Leadership and Corporate Management Team** – this includes the chairs of committees. Regular opportunities to meet will support the council in moving forward positively to deliver its ambitions and address challenges.

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY & FINANCE COMMITTEE

INFORMATION

Agenda Item No 13

meeting date: 21 JANUARY 2020
title: TREASURY MANAGEMENT MONITORING
submitted by: DIRECTOR OF RESOURCES
principal author: VALERIE TAYLOR

1 PURPOSE

1.1 To provide you with a monitoring report on our treasury management activities for the period 1 April 2019 to 31 December 2019.

1.2 Relevance to the Council's ambitions and priorities:

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

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

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

2 BACKGROUND

2.1 Events in recent years have raised the profile of the treasury management function and highlighted the potentially serious risks involved in the management of an organisation's investments and cash flows.

2.2 The Council's approved Treasury Management Policies and Practices set out in detail how we control the risks associated with our treasury management activities, ensuring that we have sufficient liquidity to meet our short-term commitments and capital spending plans and that the overriding concern when investing any surplus funds is the security of the principal invested, with risk limitation being more important than return.

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

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

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

2.6 The main points being:

- The Council maintains a list of organisations it will lend its surplus funds to, which is regularly reviewed. The current list of approved banks and building societies is shown in section 8 of this report.
- The Council has maximum limits for each bank or building society of £1.75m. The limit for the Debt Management Office (DMO), where the Government guarantees

investments, is currently £5m and the limit for other Local Authorities, Police and Crime Commissioners, Fire and Rescue Services and Transport Authorities is £2.5m per institution.

- The safety of our investments is paramount and not the requirement to maximise returns.
- Our policy has been to only lend to major British Banks and Building Societies relying on the assumption that the Government would be unlikely to allow a major bank/building society to fail.

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

3 PUBLIC WORKS LOAN BOARD

3.1 In October 2019 the Public Works Loan Board announced an increase in borrowing rates of 1% with effect from 1st November 2019.

3.2 This increase will have no impact in terms of our current loans with the PWLB which are all at fixed rates and financing plans for the current 5-year capital programme does not include a requirement to borrow from the PWLB.

3.3 From 1 November 2012, the Government reduced by 20 basis points (0.20%) the interest rates on loans from the PWLB. The reduction was to be applicable for those councils that provide an annual return providing 'improved information and transparency' on 'borrowing and associated capital spending plans'. This will enable the government to build a more robust forecast of public expenditure.

3.4 A return has been submitted for Ribble Valley Borough Council and we continue to be listed as an eligible council for this certainty discount rate on the PWLB website.

4 BORROWING REQUIREMENTS

4.1 There has been a reduction in the Council's level of external borrowing during the period following payment of the half yearly instalment to the PWLB in September.

	Total £000
External Debt at 1 April 2019	136
Transactions - New Loans	0
- Repayments	-5
External debt at 31 December 2019	131

4.2 No temporary loans were taken out in the current financial period up to December 2019, or in the same period in 2018.

4.3 The half yearly instalment of interest due on the council's external debt was £3,327 and this was paid at the end of September 2019.

5 TEMPORARY INVESTMENTS

- 5.1 In accordance with the approved treasury management policies and practices, surplus funds are temporarily invested via the money market at the best rate of interest available with the minimisation of risk to the capital sum.
- 5.2 The Bank of England base rate increased from 0.50% to 0.75% in August 2018 where it remained at 31 December 2019.
- 5.3 The movement in the Council's external investments during the reporting period are shown in Annex 1 and are summarised below:

	Banks/Building Societies	Other Local Authorities	Total
	£000	£000	£000
Monies Invested at 1 April 2019	4,175	8,000	12,175
Transactions - New Investments	77,485	17,500	94,985
- Repayment of Investments	-74,310	-17,000	-91,310
Monies Invested as at 31 December 2019	7,350	8,500	15,850
Interest April – December 2019			68

- 5.4 Investments were held with the following organisations at 31st December 2019:

Date Invested	Nos	Borrower	Notice	Rate %	£'000
14-Jun-19	48	Lancashire County Council	12-Jun-20	0.95%	2,500
20-Sep-19	94	Yorkshire	13-Mar-20	0.80%	1,600
06-Dec-19	101	Blackpool Council	02-Mar-20	0.74%	2,500
31-Oct-19	103	Bank of Scotland plc	20-Jan-20	0.72%	1,750
19-Nov-19	105	Cheltenham Council	05-Feb-20	0.72%	2,000
02-Dec-19	111	Coventry	05-Feb-20	0.61%	1,750
02-Dec-19	112	Nationwide	13-Mar-20	0.72%	1,750
16-Dec-19	113	Cornwall Council	06-Jan-20	0.59%	1,500
24-Dec-19	114	DMO	07-Jan-20	0.50%	500
Total Investments as at 31st December 2019					15,850

- 5.5 The total interest received on the Council's external investments during the period was £68,059 compared with £51,260 in the previous year. Including interest paid on balances held at bank the total interest received April to December 2019 was £70,130.

6 PRUDENTIAL INDICATORS

6.1 Local authorities in England and Wales are required by the Local Government Act 2003 to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities.

6.2 In April 2019 this Committee approved a combined Capital and Treasury Management Strategy for 2019/ 2020 which met a new requirement of the Prudential Code to produce a capital strategy along with a range of streamlined prudential indicators.

6.3 These prudential indicators are designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.

6.4 The treasury management indicators which still form part of the prudential code are the following:

- **Authorised limit for external debt**

This sets a limit on the amount of external borrowing that reflects a level of borrowing, which while not desired, could be afforded but may not be sustainable. It is the upper limit on the level of gross external indebtedness, which must not be breached without council approval. It is the **worse-case scenario**.

- **Operational boundary for external debt**

This indicator focuses on the day-to-day treasury management activity within the Council and reflects the most likely prudent but not worse-case scenario. Any sustained breaches to this boundary would give an indication that the Council may be in danger of stepping beyond the prudential boundaries it has set itself.

6.5 The Council's actual long-term debt at 31st December 2019 compared to the approved authorised limit and operational boundary for the 2019/ 20 financial year is as follows:

Prudential Indicator	Authorised Limit £000's	Operational Boundary £000's	31 st December 2019 £000's	Breaches to limits 2019/ 2020
Borrowing	19,935	1,685	131	NONE
Other Long-Term liabilities	0	0	0	NONE

6.6 The Treasury Management code requires that where an authority invests, or plans to invest, for periods of longer than one year that an upper limit for investments maturing in excess of this timeframe is set. This council currently has a policy of not investing for periods of longer than one year and so no upper limits have been set and no investments have been made in the reporting period for longer than 364 days.

7 APPROVED ORGANISATIONS

7.1 Principally, Fitch credit ratings are used as an indication of the probability of organisations defaulting on our investments. Definitions for the ratings are provided at Annex 2.

7.2 The ratings show an indication of the current credit position and are monitored on a regular basis with any significant changes to be reported to this committee. Prior to investing any monies on a day to day basis the ratings given by rating agents S&P Global Ratings and Moody's are also monitored and considered alongside the Fitch ratings. The full list of ratings for our approved institutions at 31 December 2019 is shown at Annex 3.

- 7.3 Investments with Building Societies are limited to the top 8 building societies based on their total assets (provided they are included in Fitch ratings). West Bromwich and Nottingham Building Societies have been removed from the approved list as they do not currently have a Fitch rating, leaving the top 6 building societies based on their total assets.

Name	Fitch Rating		
	Full Transaction Review Date	Long Term	Short Term
Nationwide	26/09/19	A	F1
Yorkshire	04/04/19	A-	F1
Coventry	04/04/19	A-	F1
Skipton	04/04/19	A-	F1
Leeds	04/04/19	A-	F1
Principality	04/04/19	BBB+	F2

- 7.4 The banks we use are reviewed annually as part of the Treasury Management Practices to take into account their Fitch IBCA long-term and short-term credit rating. The Council has a policy to only use institutions with a short-term Fitch rating of F2 or above. The banks on the Council's approved list meeting this requirement at 31 December 2019 are as follows:

Name	Fitch's Full Transaction Review Date	Long Term	Short Term
Santander UK Plc	26/09/19	A +	F1
Barclays Bank Plc	06/06/19	A+	F1
Bank of Scotland Plc	26/09/19	A+	F1
HSBC Bank Plc *	05/12/19	A+	F1+
Lloyds Bank Plc	26/09/19	A+	F1
National Westminster Bank Plc	26/09/19	A+	F1
Royal Bank of Scotland Plc (The)	26/09/19	A	F1

*Changed since last reported

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

8 RECENT EVENTS

- 8.1 In December 2019 the Bank of England's Monetary Policy Committee (MPC) voted by majority to maintain the Bank Rate at 0.75%.
- 8.2 The impact of Brexit continues to be an area of high uncertainty, and any firm impact on interest rates in the short to medium term is still unclear. The MPC's most recent projections estimate that the Bank Rate will reduce down to 0.50% in 2020.

9 EXPOSURE TO RISK

9.1 With the risks surrounding the UK's exit from the EU, it is imperative that we continue to protect the Council's principal sums invested in order to minimise its exposure to risks.

9.2 To ensure our exposure is limited as far as possible, we continue with the following measures:

- Daily early morning meetings to discuss the latest position:
 - Lending arrangements
 - A review of the Markets
 - A review of our current investments and whether we consider they are still safe.
 - Institution Ratings
- Authorisation prior to investments with either the Director of Resources or the Head of Financial Services
- Keep Leader/Chief Executive informed of any developments
- Look to arrange new secure options for investments as necessary.

10 CONCLUSION

10.1 Through the careful investment of sums in line with the Council's strategy the level of risk in our investments has been kept to a minimum.

10.2 Due to the continued uncertainty in the global economy, a prudent approach continues to be followed in the investment of any surplus cash balances on a day to day basis.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF7-20/VT/AC
9 January 2020

For further information please ask for Val Taylor

**POLICY AND FINANCE COMMITTEE
TEMPORARY INVESTMENT ACTIVITY – 2019/20**

ANNEX 1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
Investments Brought Forward at 1 April 2019									
18-Feb-19	152/2	Barclays Bank	760,000	0.66%	30-Apr-19	-760,000	-975.72	A+	F1
		Debtor					577.18		
18-Feb-19	156/2	Dumfries Council	2,500,000	0.81%	23-Apr-19	-2,500,000	-3,550.68		
		Debtor					2,330.14		
15-Mar-19	164/3	Lloyds Bank plc	330,000	0.61%	15-Apr-19	Rolled Over to 164/4	-170.97	A+	F1
		Debtor					93.76		
02-Jan-19	181	Nationwide BS	1,540,000	0.72%	02-Apr-19	Rolled Over to 181/2	-2,734.03	A+	F1
		Debtor					2,703.65		
18-Jan-19	195	Leeds City Council	1,500,000	0.70%	18-Apr-19	-1,500,000	-2,589.04		
		Debtor					2,100.00		
01-Feb-19	208	Redcar & Cleveland Council	2,500,000	0.82%	23-Apr-19	-2,500,000	-4,549.32		
		Debtor					3,313.70		
19-Feb-19	218	London Borough of Sutton	1,500,000	0.77%	30-Apr-19	-1,500,000	-2,215.07		
		Debtor					1,297.40		

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
01-Mar-19	228	Bank of Scotland plc	525,000	0.65%	08-Apr-19	-525,000	-355.27	A+	F1
		Debtor					289.83		
29-Mar-19	246	HSBC Bank plc	1,020,000	0.60%	02-Apr-19	-1,020,000	-67.07	AA-	F1+
		Debtor					50.30		
Monies Invested at 1 April 2019			12,175,000			-10,305,000	-4,451.21		
Investments made April to December 2019									
01-Apr-19	1	HSBC Bank plc	170,000	0.60%	02-Apr-19	-170,000	-2.79	AA-	F1+
02-Apr-19	2	HSBC Bank plc	280,000	0.60%	08-Apr-19	-280,000	-27.62	AA-	F1+
02-Apr-19	3	HSBC Bank plc	220,000	0.60%	15-Apr-19	-220,000	-47.01	AA-	F1+
02-Apr-19	4	HSBC Bank plc	820,000	0.60%	18-Apr-19	-820,000	-215.67	AA-	F1+
02-Apr-19	181/2	Nationwide BS	Rolled over from 181	0.75%	04-Jul-19	-1,540,000	-2,942.88	A	F1
03-Apr-19	5	HSBC Bank plc	80,000	0.60%	18-Apr-19	-80,000	-19.73	AA-	F1+
05-Apr-19	6	HSBC Bank plc	85,000	0.60%	15-Apr-19	-85,000	-13.97	AA-	F1+
08-Apr-19	7	HSBC Bank plc	240,000	0.60%	09-Apr-19	-240,000	-3.95	AA-	F1+
09-Apr-19	8	HSBC Bank plc	300,000	0.60%	10-Apr-19	-300,000	-4.93	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
10-Apr-19	9	HSBC Bank plc	370,000	0.60%	11-Apr-19	-370,000	-6.08	AA-	F1+
11-Apr-19	10	HSBC Bank plc	420,000	0.60%	12-Apr-19	-420,000	-6.90	AA-	F1+
12-Apr-19	11	HSBC Bank plc	470,000	0.60%	15-Apr-19	-470,000	-23.18	AA-	F1+
15-Apr-19	12	HSBC Bank plc	450,000	0.60%	16-Apr-19	-450,000	-7.40	AA-	F1+
15-Apr-19	164/4	Lloyds Bank plc	Rolled over from 164/3	0.61%	13-May-19	Rolled Over to 164/5	-154.42	A+	F1
16-Apr-19	13	HSBC Bank plc	500,000	0.60%	17-Apr-19	-500,000	-8.22	AA-	F1+
17-Apr-19	14	HSBC Bank plc	580,000	0.60%	18-Apr-19	-580,000	-9.53	AA-	F1+
18-Apr-19	15	Wirral MBC	2,000,000	0.70%	20-May-19	Rolled Over to 15/2	-1,227.40		
18-Apr-19	16	HSBC Bank plc	1,000,000	0.60%	24-Apr-19	-1,000,000	-98.63	AA-	F1+
23-Apr-19	17	Coventry	650,000	0.60%	10-Jun-19	-650,000	-512.88	A-	F1
23-Apr-19	18	HSBC Bank plc	150,000	0.60%	07-May-19	-150,000	-34.52	AA-	F1+
23-Apr-19	19	HSBC Bank plc	80,000	0.60%	24-Apr-19	-80,000	-1.32	AA-	F1+
24-Apr-19	20	HSBC Bank plc	600,000	0.60%	25-Apr-19	-600,000	-9.86	AA-	F1+
25-Apr-19	21	HSBC Bank plc	670,000	0.60%	26-Apr-19	-670,000	-11.01	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
26-Apr-19	22	HSBC Bank plc	1,070,000	0.60%	29-Apr-19	-1,070,000	-52.77	AA-	F1+
29-Apr-19	23	Bank of Scotland plc	1,750,000	0.61%	30-May-19	-1,750,000	-906.64	A+	F1
29-Apr-19	24	HSBC Bank plc	90,000	0.60%	30-Apr-19	-90,000	-1.48	AA-	F1+
30-Apr-19	25	London Borough of Sutton	2,500,000	0.70%	30-May-19	-2,500,000	-1,438.36		
30-Apr-19	26	HSBC Bank plc	320,000	0.60%	13-May-19	-320,000	-68.38	AA-	F1+
30-Apr-19	27	Leeds	1,750,000	0.72%	08-Aug-19	Rolled Over to 27/2	-3,452.05	A-	F1
30-Apr-19	28	HSBC Bank plc	270,000	0.60%	20-May-19	-270,000	-88.77	AA-	F1+
01-May-19	29	HSBC Bank plc	200,000	0.60%	20-May-19	-200,000	-62.47	AA-	F1+
03-May-19	30	HSBC Bank plc	150,000	0.60%	07-May-19	-150,000	-9.86	AA-	F1+
07-May-19	31	HSBC Bank plc	320,000	0.60%	13-May-19	-320,000	-31.56	AA-	F1+
08-May-19	32	HSBC Bank plc	90,000	0.60%	13-May-19	-90,000	-7.40	AA-	F1+
10-May-19	33	HSBC Bank plc	130,000	0.60%	22-May-19	-130,000	-25.64	AA-	F1+
13-May-19	34	HSBC Bank plc	300,000	0.60%	20-May-19	-300,000	-34.52	AA-	F1+
13-May-19	164/5	Lloyds Bank plc	Rolled over from 164/4	0.61%	14-Jun-19	-330,000	-176.48	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
15-May-19	35	HSBC Bank plc	215,000	0.60%	16-May-19	-215,000	-3.53	AA-	F1+
16-May-19	36	HSBC Bank plc	270,000	0.60%	17-May-19	-270,000	-4.44	AA-	F1+
17-May-19	37	HSBC Bank plc	500,000	0.60%	20-May-19	-500,000	-24.66	AA-	F1+
20-May-19	38	HSBC Bank plc	375,000	0.60%	21-May-19	-375,000	-6.16	AA-	F1+
20-May-19	15/2	Wirral MBC	Rolled over from 15	0.75%	04-Jul-19	-2,000,000	-1,849.32	-	-
21-May-19	39	HSBC Bank plc	440,000	0.60%	28-May-19	-440,000	-50.63	AA-	F1+
22-May-19	40	HSBC Bank plc	140,000	0.60%	28-May-19	-140,000	-13.81	AA-	F1+
28-May-19	41	HSBC Bank plc	660,000	0.60%	29-May-19	-660,000	-10.85	AA-	F1+
29-May-19	42	Yorkshire	1,550,000	0.66%	19-Jun-19	-1,550,000	-588.58	A-	F1
30-May-19	43	HSBC Bank plc	300,000	0.60%	31-May-19	-300,000	-4.93	AA-	F1+
31-May-19	44	HSBC Bank plc	70,000	0.60%	03-Jun-19	-70,000	-3.45	AA-	F1+
31-May-19	45	HSBC Bank plc	50,000	0.60%	14-Jun-19	-50,000	-11.51	AA-	F1+
31-May-19	46	Bank of Scotland plc	1,480,000	0.70%	22-Jul-19	Rolled Over to 46/2	-1,475.95	A+	F1
31-May-19	47	DMO	2,500,000	0.50%	14-Jun-19	-2,500,000	-479.45		

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
14-Jun-19	48	Lancashire County Council	2,500,000	0.95%	Still Invested	Still Invested	-13,013.70		
03-Jun-19	49	HSBC Bank plc	95,000	0.60%	04-Jun-19	-95,000	-1.56	AA-	F1+
04-Jun-19	50	HSBC Bank plc	120,000	0.60%	21-Jun-19	-120,000	-33.53	AA-	F1+
05-Jun-19	51	HSBC Bank plc	75,000	0.60%	06-Jun-19	-75,000	-1.23	AA-	F1+
06-Jun-19	52	HSBC Bank plc	115,000	0.60%	07-Jun-19	-115,000	-1.89	AA-	F1+
07-Jun-19	53	HSBC Bank plc	200,000	0.60%	10-Jun-19	-200,000	-9.86	AA-	F1+
10-Jun-19	54	HSBC Bank plc	340,000	0.60%	14-Jun-19	-340,000	-22.36	AA-	F1+
12-Jun-19	55	HSBC Bank plc	80,000	0.60%	14-Jun-19	-80,000	-2.63	AA-	F1+
14-Jun-19	56	HSBC Bank plc	740,000	0.60%	17-Jun-19	-740,000	-36.49	AA-	F1+
17-Jun-19	57	Lloyds Bank plc	850,000	0.90%	19-Sep-19	-850,000	-1,970.14	A+	F1
17-Jun-19	58	HSBC Bank plc	365,000	0.60%	24-Jun-19	-365,000	-42.00	AA-	F1+
19-Jun-19	59	HSBC Bank plc	710,000	0.60%	04-Jul-19	-710,000	-175.07	AA-	F1+
21-Jun-19	60	HSBC Bank plc	165,000	0.60%	24-Jun-19	-165,000	-8.14	AA-	F1+

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
24-Jun-19	61	HSBC Bank plc	250,000	0.60%	28-Jun-19	-250,000	-16.44	AA-	F1+
26-Jun-19	62	HSBC Bank plc	95,000	0.60%	15-Jul-19	-95,000	-29.67	AA-	F1+
28-Jun-19	63	Yorkshire	1,160,000	0.70%	19-Aug-19	Rolled Over to 63/2	-1,156.82	A-	F1
04-Jul-19	64	Wirral MBC	2,500,000	0.70%	08-Aug-19	-2,500,000	-1,678.08	-	-
01-Jul-19	65	HSBC Bank plc	30,000	0.60%	19-Jul-19	-30,000	-8.88	AA-	F1+
01-Jul-19	66	DMO	3,380,000	0.50%	04-Jul-19	-3,380,000	-138.90	-	-
04-Jul-19	67	HSBC Bank plc	740,000	0.60%	08-Jul-19	-740,000	-48.66	AA-	F1+
04-Jul-19	68	Lloyds Bank plc	760,000	0.61%	05-Aug-19	-760,000	-406.44	A+	F1
09-Jul-19	69	HSBC Bank plc	300,000	0.60%	15-Jul-19	-300,000	-29.59	AA-	F1+
12-Jul-19	70	HSBC Bank plc	300,000	0.60%	15-Jul-19	-300,000	-14.79	AA-	F1+
15-Jul-19	71	HSBC Bank plc	900,000	0.60%	22-Jul-19	-900,000	-103.56	AA-	F1+
16-Jul-19	72	HSBC Bank plc	110,000	0.60%	22-Jul-19	-110,000	-10.85	AA-	F1+
18-Jul-19	73	HSBC Bank plc	295,000	0.60%	22-Jul-19	-295,000	-19.40	AA-	F1+
22-Jul-19	74	HSBC Bank plc	270,000	0.60%	31-Jul-19	-270,000	-39.95	AA-	F1+
22-Jul-19	46/2	Bank of Scotland plc	Rolled over from 46	0.68%	13-Sep-19	-1,480,000	-1,461.35	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
24-Jul-19	75	HSBC Bank plc	520,000	0.60%	31-Jul-19	-520,000	-59.84	AA-	F1+
26-Jul-19	76	HSBC Bank plc	195,000	0.60%	31-Jul-19	-195,000	-16.03	AA-	F1+
29-Jul-19	77	Coventry	795,000	0.58%	13-Sep-19	-795,000	-581.11	A-	F1
31-Jul-19	78	DMO	3,910,000	0.50%	08-Aug-19	-3,910,000	-428.49	-	-
31-Jul-19	79	HSBC Bank plc	160,000	0.60%	05-Aug-19	-160,000	-13.15	AA-	F1+
31-Jul-19	80	HSBC Bank plc	550,000	0.60%	12-Aug-19	-550,000	-108.49	AA-	F1+
01-Aug-19	81	HSBC Bank plc	200,000	0.60%	08-Aug-19	-200,000	-23.01		
05-Aug-19	82	HSBC Bank plc	270,000	0.60%	12-Aug-19	-270,000	-31.07		
05-Aug-19	83	HSBC Bank plc	270,000	0.60%	08-Aug-19	-270,000	-13.32		
07-Aug-19	84	HSBC Bank plc	100,000	0.60%	08-Aug-19	-100,000	-1.64		
08-Aug-19	85	Nationwide	1,750,000	0.70%	22-Nov-19	-1,750,000	-3,557.53	A	F1
08-Aug-19	27/2	Leeds	Rolled over from 27	0.69%	22-Nov-19	-1,750,000	-3,506.71	A-	F1
16-Aug-19	86	Yorkshire	590,000	0.67%	13-Sep-19	-590,000	-303.24	A-	F1
19-Aug-19	63/2	Yorkshire	Rolled over from 63	0.67%	13-Sep-19	-1,160,000	-532.33	A-	F1
28-Aug-19	87	Lloyds Bank plc	440,000	0.60%	13-Sep-19	-440,000	-115.73	A+	F1
29-Aug-19	88	Coventry	955,000	0.50%	16-Sep-19	-955,000	-235.48	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
02-Sep-19	89	Barclays Bank	1,750,000	0.52%	18-Oct-19	-1,750,000	-1,146.85	A	F1
02-Sep-19	90	DMO	1,000,000	0.50%	16-Sep-19	-1,000,000	-191.78		
06-Sep-19	91	Lloyds Bank plc	460,000	0.60%	19-Sep-19	-460,000	-98.30	A+	F1
16-Sep-19	92	Bank of Scotland plc	1,750,000	0.61%	18-Oct-19	-1,750,000	-935.89	A+	F1
19-Sep-19	93	DMO	2,500,000	0.50%	20-Sep-19	-2,500,000	-34.25		
20-Sep-19	94	Yorkshire	1,600,000	0.80%	Still Invested	Still Invested	-3,576.99	A-	F1
30-Sep-19	95	Lloyds Bank plc	650,000	0.60%	18-Oct-19	-650,000	-192.33	A+	F1
30-Sep-19	96	Lloyds Bank plc	1,100,000	0.60%	21-Oct-19	Rolled Over to 96/2	Rolled Over	A+	F1
30-Sep-19	97	Coventry	1,550,000	0.53%	31-Oct-19	Rolled over to 102	-697.71	A-	F1
15-Oct-19	98	DMO	1,000,000	0.50%	21-Oct-19	-1,000,000	-82.19		
21-Oct-19	99	DMO	2,100,000	0.50%	22-Oct-19	-2,100,000	-28.77		
21-Oct-19	96/2	Lloyds Bank plc	Rolled over from 96	0.60%	28-Oct-19	Rolled Over to 96/3	-506.35	A+	F1
24-Oct-19	100	Lloyds Bank plc	650,000	0.60%	28-Oct-19	Rolled Over to 100/2	-42.74	A+	F1
28-Oct-19	101	DMO	1,000,000	0.50%	31-Oct-19	-1,000,000	-41.10		
28-Oct-19	100/2	Lloyds Bank plc	Rolled over from 100	0.61%	25-Nov-19	Rolled Over to 100/3	-304.16	A+	F1
06-Dec-19	101	Blackpool Council	2,500,000	0.74%	Still Invested	Still Invested	-1,027.40		
28-Oct-19	96/3	Lloyds Bank plc	Rolled over from 96/2	0.60%	19-Nov-19	Rolled Over to 96/4	-397.81	A+	F1

Date Invested	Temporary Investment Number	Borrower	Amount Invested £	Interest rate %	Date Repaid	Principal Repaid £	Interest Received or Due £	Fitch Long Term Rating	Fitch Short Term Rating
31-Oct-19	102	Coventry	200,000	0.51%	22-Nov-19	-1,750,000	-537.95	A-	F1
31-Oct-19	103	Bank of Scotland plc	1,750,000	0.72%	Still Invested	Still Invested	-1754.79	A-	F1
31-Oct-19	104	DMO	2,500,000	0.51%	19-Nov-19	-2,500,000	-657.19		
19-Nov-19	105	Cheltenham Council	2,000,000	0.72%	Still Invested	Still Invested	-1219.73		
07-Nov-19	106	DMO	1,000,000	0.50%	19-Nov-19	-1,000,000	-164.38		
19-Nov-19	107	DMO	1,550,000	0.50%	22-Nov-19	-1,550,000	-63.70		
19-Nov-19	96/4	Lloyds Bank plc	Rolled over from 96/3	0.61%	19-Dec-19	-1,100,000	-551.51	A+	F1
22-Nov-19	108	Merthyr Tydfil Council	2,000,000	0.70%	02-Dec-19	-2,000,000	-383.56		
25-Nov-19	100/3	Lloyds Bank plc	Rolled over from 100/2	0.61%	23-Dec-19	-650,000	-304.16	A+	F1
28-Nov-19	109	DMO	500,000	0.50%	13-Dec-19	-500,000	-102.74		
02-Dec-19	110	DMO	2,600,000	0.50%	06-Dec-19	-2,600,000	-142.47		
02-Dec-19	111	Coventry	1,750,000	0.61%	Still Invested	Still Invested	-723.01	A-	F1
02-Dec-19	112	Nationwide	1,750,000	0.72%	Still Invested	Still Invested	-973.29	A-	F1
16-Dec-19	113	Cornwall Council	1,500,000	0.59%	Still Invested	Still Invested	-376.03		
24-Dec-19	114	DMO	500,000	0.50%	Still Invested	Still Invested	-66.16		
Investments April - December 2019			94,985,000			-81,005,000	-63,607.99		
Total Investments 2019/20 (including Brought Forward from 2018/19)			107,160,000			-91,310,000	-68,059.20		
Interest received on balances held at bank							-2,070.38		
Grand Total			107,160,000			-91,310,000	-70,129.58		

POLICY AND FINANCE COMMITTEE

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

**POLICY AND FINANCE COMMITTEE
FULL RATING LIST OF APPROVED INSTITUTIONS AS AT 31 DECEMBER 2019**

	S&P Global Ratings			Moody's			Fitch				
	Long Term	Short Term	Outlook	Long Term	Short Term	Outlook	Full Review Date	Long Term	Short Term	Outlook	
Building Societies											
Nationwide	A	A-1	Positive	Aa3	P-1	Negative	26/09/19	A	F1	Stable	£1m min
Yorkshire	-	-	-	A3	P-2	Negative	04/04/19	A-	F1	Stable	
Coventry	-	-	-	A2	P-1	Negative	04/04/19	A-	F1	Stable	Sterling Brokers
Skipton	-	-	-	Baa1	P-2	Stable	04/04/19	A-	F1	Stable	
Leeds	-	-	-	A3	P-2	Negative	04/04/19	A-	F1	Stable	3 Mth
Principality	-	-	-	Baa2	P-2	Stable	04/04/19	BBB+	F2	Negative	No Contact
Banks											
Santander UK Plc.	A	A-1	Stable	Aa3	P-1	Negative	26/09/19	A+	F1	Stable	
Barclays Bank Plc.	A	A-1	Stable	A2	P-1	Positive	06/06/19	A+	F1	Stable	
Bank of Scotland Plc.	A+	A-1	Stable	Aa3	P-1	Negative	26/09/19	A+	F1	Stable	
HSBC Bank Plc.	AA-	A-1+	Negative	Aa3	P-1	Negative	05/12/19	A+	F1+	Stable	
Lloyds Bank Plc.	A+	A-1	Stable	Aa3	P-1	Negative	26/09/19	A+	F1	Stable	£250k
National Westminster Bank Plc.	A	A-1	Stable	A1	P-1	Positive	26/09/19	A+	F1	Stable	Current a/c required
Royal Bank of Scotland Plc.	A	A-1	Stable	A1	P-1	Positive	26/09/19	A	F1	Stable	Current a/c required
Banks not currently meeting minimum Fitch Short Term requirement of F2 (and not currently approved for investments)											
Co-operative Bank (The)	-	-	-	B3	B3	Positive	30/07/19	B	B	Negative	£1m min

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 14

meeting date: 21 JANUARY 2020
 title: REVENUES AND BENEFITS GENERAL REPORT
 submitted by: DIRECTOR OF RESOURCES
 principal author: MARK EDMONDSON

1 PURPOSE

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

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives/Corporate Priorities

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

2 NATIONAL NON-DOMESTIC RATES (NNDR)

2.1 The following is a collection statement to 5 January 2020:

	£000	£000	2019/20 %	2018/19 %
Balance Outstanding 1 April 2019		604		
NNDR amounts due	21,326			
Plus costs	2			
Transitional surcharge	44			
Write ons	0			
	21,372			
Less				
- Transitional relief	-241			
- Exemptions	-409			
- Charity, Rural, Community Amateur Sports Clubs Relief	-1,237			
- Small Business Rate Relief	-3,290			
- Revaluation 2017, Pub, SSB and Other reliefs	-501			
- Interest Due	0			
- Write Offs	-45			
	-5,723	15,649		
Total amount to recover		16,253		
Less cash received to 5 January 2020		-13,463	82.8	82.7
Amount Outstanding		2,790	17.2	17.3

NB The figures included in the table include not only those charges for 2019/20 but also those relating to previous years, but we are required to report to the Ministry of Housing, Communities & Local Government (MHCLG) our in year collection rate. This figure is published and is used to compare our performance with other local authorities. On this measure our current in year collection rate at 31 December 2019 is 84.02% compared with 83.39% at 31 December 2018.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 5 January 2020:

	£000	£000	2019/20 %	2018/19 %
Balance Outstanding 1 April 2019		927		
Council Tax amounts due	49,401			
Plus costs	64			
Transitional relief	1			
Write ons	3			
	49,469			
Less - Exemptions	-711			
- Discounts	-4,409			
- Disabled banding reduction	-54			
- Council Tax Benefit	10			
- Local Council Tax Support	-1,830			
- Write offs	-25			
	-7,019	42,450		
Total amount to recover		43,377		
Less cash received to 5 January 2020		-37,479	86.4	86.7
Amount Outstanding		5,898	13.6	13.3

NB The figures included in the table include not only those charges for 2019/20 but also those relating to previous years, but we are required to report our in year collection rate to the MHCLG. This figure is published by them and is used to compare our performance against other local authorities. On this measure our current in year collection rate at 31 December 2019 is 87.16% compared to 87.31% at 31 December 2018.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 13 January 2020 is:

	£000	£000
Amount Outstanding 1 April 2019		429
Invoices Raised	3,218	
Plus costs	1	
		3,219
Less credit notes		-61
Total amount to recover		3,587
Less cash received to 13 January 2020		-2,412
Amount outstanding		1,175

Aged Debtors	000s	%
< 30 days	60	5.11
30 - 59 days	704	59.91
60 - 89 days	8	0.68
90 - 119 days	23	1.96
120 - 149 days	8	0.68
150+ days	372	31.66
	1,175	100

4.2 The balance of debt outstanding for '150+ days' includes debts raised on an annual basis at the start of the financial year, which are being paid by direct debit on a monthly basis throughout the year. Another substantial element within this balance is debt relating to overpaid housing benefit due to reasons including fraud. Recovery action continues on such housing benefit debt, with some being paid by instalments.

5 HOUSING BENEFIT AND COUNCIL TAX SUPPORT PERFORMANCE

5.1 The main indicator for Housing Benefit and Council Tax Support performance is known as Right Time. The benefit section also report on Local Performance Indicators that have been set within the department for benefit fraud and overpayments.

5.2 The Department for Work and Pensions does not require Local Authorities (LA's) to report on any other Performance Measures but encourages them to monitor their own performance locally.

5.3 We obviously consider it very important to monitor overpayment data.

Housing Benefit Right Time Indicator 2019/2020

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

Target for year	Actual Performance 1 October 2019 – 31 December 2019	Average Performance
5 days	3.50 days	20 days per IRRV

New claims performance

Target for year	Actual Performance 1 October 2019 – 31 December 2019	Top grade 4 for all LA's 2007/08
15 days	10.03 days	Under 30 days

6 HOUSING BENEFIT OVERPAYMENTS

6.1 Overpayment means any amount paid as Housing Benefit when there was no entitlement under the regulations.

6.2 The figures overleaf are from the previous quarter as the latest figures were not available at the time of writing the report.

Performance for the period 1 October 2019 - 31 December 2019:

Performance Measure	%
The amount of Housing Benefit (HB) overpayments recovered during the period being reported on as a percentage of HB overpayments deemed recoverable during that period.	116.54
The amount of Housing Benefit (HB) overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year plus amount of HB overpayments identified during the period.	14.61
The amount of Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year, plus amount of HB overpayments identified during the period.	0.23

7 CONCLUSION

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

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF63-19/ME/AC
7 November 2019

For further information please ask for Mark Edmondson.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No. 15

meeting date: TUESDAY, 21 JANUARY 2020
 title: CHRISTMAS LUNCHEON CLUB PROJECT – UPDATE
 submitted by: NICOLA HOPKINS - DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING
 principal author: DILYS DAY – PARTNERSHIP OFFICER

1 PURPOSE

1.1 This report provides Committee with an update on the Luncheon Clubs Christmas grants.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives - The provision of Christmas lunch clubs supports older and more vulnerable people in the community at a time when they are at their most vulnerable
- Corporate Priorities – Lunch clubs can help to make peoples' lives safer and healthier and helps to alleviate issues around loneliness and isolation.
- Other Considerations – Future funding allocations

2 CHRISTMAS LUNCH

2.1 Members will recall that at the meeting of Policy and Finance Committee in September (Minute 263 refers) it was agreed to promote an initiative under the Luncheon clubs programme to support Christmas lunch events. Members agreed to allocate £250 to each Luncheon Club towards a Christmas lunch.

2.2 However there is a significant variance in the number of attendees at the clubs, and as such each club was asked to complete a brief application form explaining how many they expected to attend the event along with an estimate of the associated cost.

2.3 21 applications were received, which are estimated to have supported 929 beneficiaries.

2.4 The total amount paid was £2,335, as detailed below:

Club	Amount Granted
West Bradford	£200.00
Grindleton	£200.00
Mellor	£65.00
Read	£200.00
Wilpshire	£135.00
Downham	£180.00
Gisburn Monday Club	£80.00
Tosside	£110.00
Read Constitutional	£150.00
Chipping Meet & Eat	£30.00
Chipping Cross Roads	£140.00
West Bradford Time for You	£175.00
Hodder	£187.50

Mearley Fold	£120.00
Gisburn FH	£200.00
Rimington	£162.50
Total	£2,335.00

- 2.5 In addition to the contributions given to existing luncheon clubs it was agreed after discussions raised at Parish Councils' Liaison Committee that one-off luncheon events could also apply for support under the scheme where appropriate. In total £830 was provided to 'one off' Christmas lunches as follows:

Area	Amount Granted
Chipping 'CHAOS'	£30.00
Longridge Rotary	£200.00
Billington	£200.00
Newton	£200.00
Total	£830.00

- 2.6 Whilst these areas do not have established luncheon clubs, where the Christmas lunch was promoted through the Parish Councils or operated by local voluntary organisations, this approach has provided a valuable opportunity to explore the scope for more regular luncheon club activities in these areas to help target isolation.

3 WAY FORWARD

- 3.1 Since the last review of Lunch Clubs in September 2019, £1,580 has been awarded to support activities in Billington and Read.
- 3.2 Work is also ongoing to develop the 'Meat and Eat' project early in 2020. 'Meet and Eat' has been set up to promote regular gatherings in established cafes and pubs. It also exists to support local businesses and provides a more sustainable model to deliver the objectives of luncheon clubs and reducing isolation.
- 3.3 Going forward opportunities develop new models including how the Council can best support needs in relation to activities that support well-being for older persons in particular will be explored.
- 3.4 The Christmas lunch programme was very well received, and the feedback has been very positive. It has enabled additional contacts to be developed with the opportunity for further Luncheon Clubs to be developed. Members will be kept inform through future reports of progress on the delivery of scheme.

DILYS DAY
PARTNERSHIP OFFICER

NICOLA HOPKINS
DIRECTOR OF ECONOMIC DEVELOPMENT
AND PLANNING

BACKGROUND PAPERS

None.

For further information please ask for Dilys Day, extension 4549.