

RIBBLE VALLEY BOROUGH COUNCIL

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date: 27 July 2012

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Dear Councillor

The next meeting of the **POLICY AND FINANCE COMMITTEE** is at **6.30pm on TUESDAY, 7 AUGUST 2012** 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 12 June 2012 – copy enclosed.
3. Matters arising (if any).
4. Declarations of Interest (if any).
5. Public Participation (if any).

DECISION ITEMS

- ✓ 6. Localisation of CT Support – report of Director of Resources – copy enclosed.
- ✓ 7. Concurrent Functions Grant – report of Director of Resources – copy enclosed.
- ✓ 8. National Non-Domestic Rates Write-offs – report of Director of Resources – copy enclosed.

9. References from Committees (if any).
- ✓ 10. Capital Outturn 2011/12 – report of Director of Resources – copy enclosed.

INFORMATION ITEMS

- ✓ 11. Overall Capital Outturn 2011/12 – report of Director of Resources – copy enclosed.
- ✓ 12. Capital Monitoring 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 13. Overall Capital Monitoring 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 14. Revenue Outturn 2011/12 – report of Director of Resources – copy enclosed.
- ✓ 15. Overall Revenue Outturn 2011/12 – report of Director of Resources – copy enclosed.
- ✓ 16. Revenue Monitoring 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 17. Overall Revenue Monitoring 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 18. Treasury Management Monitoring 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 19. Revenues and Benefits General Report – report of Director of Resources – copy enclosed.
- ✓ 20. Reception Remodelling Scheme – progress report of Director of Community Services – copy enclosed.
- ✓ 21. Clitheroe Food Festival RDPE Grant Bid – report of Chief Executive – copy enclosed.
- ✓ 22. Ombudsman's Annual Review Report 2011/2012 – report of Chief Executive – copy enclosed.
23. Reports from Representatives on Outside Bodies (if any).

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

None.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 6

meeting date: 16 JULY 2012
 title: LOCALISATION OF COUNCIL TAX SUPPORT
 submitted by: DIRECTOR OF RESOURCES
 principal author: JANE PEARSON

1 PURPOSE

1.1 To consider the progress we are making with the Localisation of Council Tax support in Ribble Valley.

1.2 Relevance to the Council's ambitions and priorities:

- The council will need to decide upon a scheme of local support for council tax. In doing so consideration will need to be given to the amount of support to be given to all groups of residents

2 BACKGROUND

2.1 As you are aware the Government announced in the 2010 Spending Review that council tax benefit will be replaced by local schemes of support for council tax from 2013/14.

2.2 Funding from the Government to pay for council tax support will be reduced by 10%. This means that councils will either have to design their own schemes which need to cost 10% less than the current one or maintain the same level of benefit/support but stand the 10% loss in grant from elsewhere, or a combination of the two

2.3 The Local Government Finance Bill imposes a duty on billing authorities to make a scheme by **31 January 2013** and to consult with major precepting authorities i.e. LCC/Fire and Police authorities and other persons likely to have an interest in the scheme

2.4 As you are aware the Government has stated that protection must be given to vulnerable people including pensioners. This means that if we were to accommodate the 10% reduction in the overall cost of benefit payments, reductions in payments to other client groups **will be much more than 10%**.

3 WHERE ARE WE NOW

3.1 Caseload Data

The table below and Annex 1 shows an analysis of our current caseload by category of claimant.

	No. of claims	yearly £	weekly £
Current cost (no reductions)			
cost of CTS to pensioners	1,579	1,366,900.45	26,214.53
cost of CTS to working age passported	584	534,179.97	10,244.55
cost of CTS to working age vulnerable	118	88,925.33	1,705.42
cost of CTS to working age other	428	287,641.01	5,516.40
Total cost of CTS	2,709	2,277,646.76	43,680.90

3.2 As you can see we currently have a caseload of 2,709 Council Tax Benefit claims. 60% of the cost of our current caseload is from residents who are pensioners (**comparatively this is one of the highest level in the country**).

3.3 We pay out £2.278m in Council Tax Benefit but currently receive benefit subsidy to cover this expenditure in full from the Government. Given the changes, in future we and the other precepting authorities will only receive a grant of 90% towards the total benefit cost. Therefore the grant lost is around £228,000. However this shortfall will be shared amongst all the precepting authorities pro rata to their share of the total council tax – our share would therefore be approx. 10.7% (including parishes) ie £24,400.

3.4 The Government intends that support for council tax will be offered as **reductions or discounts** within the council tax system. This will be a fundamental change in how council tax benefit will be accounted for in future.

4 ACCOUNTING TREATMENT

4.1 Annex 2 shows a comparison of the current arrangements against the proposed accounting treatment for council tax support. In summary the main differences are:

- Each precepting authority will be paid their council tax support grant directly in future rather than the total grant be paid to the billing authority as current
- This grant will represent 90% of the cost of council tax support for each precepting authority
- Due to the new support being classed as a discount against an individual's council tax in future the council taxbase will fall significantly

4.2 We have assumed for illustration purposes in Annex 2 that each precepting authority would meet the 10% reduction in grant from elsewhere.

4.3 In reality what will happen is that the council taxbase will be increased to reflect this shortfall either by:

- Reducing the council tax support for certain categories of claimant or
- Changing other council tax discounts and exemptions

4.4 Annex 3 shows our current calculation of the taxbase. You will see to calculate the taxbase the starting point is the number of dwellings in each council tax band and then various discounts are deducted to arrive at the number of band d equivalents.

4.5 In summary the savings required are therefore £227,500 or in taxbase terms the equivalent of finding 154 extra Band D properties.

5 OPTIONS AVAILABLE

5.1 As previously reported the options available are:

1. **Accept the Default Scheme (Do nothing) and reduce expenditure elsewhere to meet the reduction in grant**

The savings required by each precepting authority if we decide to do nothing would be as follows:

- (a) Lancashire County Council £172,000
- (b) Lancashire Police Authority £23,300
- (c) Lancashire Fire Authority £9,900
- (d) Ribble Valley plus parishes £24,400

The advantages of this option are:

Benefit claimants will see no change in the amount of council tax they pay

It allows us time to see what problems arise when others introduce their local schemes

It is administratively convenient

The disadvantages of this option are:

No savings are achieved.

The Government's policy of reducing dependency on benefits is not followed.

Precepting authorities are likely to object to this option and may not be in a position to make the required savings.

2. **Reduce Council Tax discounts and exemptions**

Change the discounts and exemptions on empty and unfurnished properties and second homes.

The advantages of this option are:

Benefit claimants will see no change in the amount of council tax they pay

It allows us time to see what problems arise when others introduce their local schemes

It is administratively convenient

It achieves the required savings

The disadvantages of this option are:

The Government's policy of reducing dependency on benefits is not followed.

Precepting authorities may object to this option on the grounds that they would rather use the extra income raised to meet other financial pressures.

The Council taxpayers of empty properties/second homes may object to paying more council tax.

3. Reduce Council Tax Support (Benefit)

Reduced Council Tax Support to working age claimants (Pensioners are protected)

The advantages of this option are:

Meets Government policy objectives

Achieves the required savings

Precepting Authorities are likely to accept

The disadvantages of this option are:

Benefit claimants will see their council tax increase

It may be difficult to collect.

The impact of the changes may have unintended consequences.

The Lancashire Countywide Scheme

- 5.2 Officers from both the County Council and Districts have been examining whether agreement can be reached on a countywide scheme, this work has been led by Oneconnect on behalf of the County Council. In summary the proposal is to effectively go for the third option and find all the savings required by reducing council tax support for all claimants by a standard percentage (with the exception of pensioners) irrespective of the type of claimant. Due to our high proportion of pensioners this would require an average of 25% cut in support to all working age claimants. We believe this would be too much to take off claimants and the resulting Council Tax would be both costly and extremely difficult to collect.
- 5.3 Most districts now seem to be developing their own schemes based on their own local circumstances but also following the Government's principle to reduce the cost of council tax benefit.

6 RIBBLE VALLEY'S POSITION

- 6.1 Previously we had indicated that a mixture of options 2 and 3 would be the preferred solution to deliver the savings required.
- 6.2 By way of illustration even if we ignore the new flexibilities over council tax discounts and exemptions mainly around empty properties, the Council's existing income from council tax on second homes raises approximately £121,000 (82 band d equivalents).
- 6.3 The County Council have already indicated that in future the income from second homes raised in Ribble Valley will no longer be returned to the Council via the LSP to spend in our area. If the County Council confirm this stance you may wish to assign this funding towards council tax support.

6.4 Moving on to council tax support itself clearly we need to consult the major precepting authorities and the public on our preferred scheme. The sooner we can begin this process the better; however in my view the consultation should certainly begin no later than the end of August.

7 POTENTIAL RIBBLE VALLEY SCHEME

7.1 In my opinion the scheme should **ideally mirror the existing council tax benefit scheme as closely as possible** and any variations to this should be kept as simple and straightforward as we can, certainly in year one. Set out below are the main principles we would suggest form the basis of a new Ribble Valley council tax support scheme to go out to consultation on.

7.2 Key Principles

Principle 1: The income raised from the existing council tax on second homes should be used to subsidise the council tax support scheme thus contributing to those Ribble Valley residents who are vulnerable and/or in receipt of low incomes.

Principle 2: All working age claimants should pay something

At present, claimants in receipt of income support, job seekers allowance (income based) and employment support allowance (income related) and other claimants not receiving these but with an income below the required level for their basic living needs, generally receive 100 per cent council tax benefit and therefore pay no council tax.

However we suggest that either all working age claimants should pay at least 10 per cent of their council tax under the CTS scheme or all working age claimants' support in the new scheme is reduced by 12%.

Either option will deliver the balance of the savings required but have a different impact on individual claimants. We illustrate this in Annex 4.

Principle 3: The most vulnerable claimants should be protected

The proposed CTS scheme affords additional protection to vulnerable groups because of the way the default scheme is organised. This is in the main by using higher applicable amounts (basic living needs as determined by the Government) and part of their income may be disregarded (e.g. disability living allowance). We propose to leave these additional applicable amounts and income disregards unchanged.

8 CONSULTATION

8.1 Government guidance on consultation is briefly as follows. As billing authority before adopting a scheme we must in the following order:

- i. Consult major precepting authorities
- ii. Publish a draft scheme in such manner as we think fit
- iii. Consult other such persons we consider are likely to have an interest in the operation of the scheme

8.2 When consulting on reduction schemes billing authorities should ensure all interested parties are able to give their views and influence the design of the scheme.

8.3 In particular, the views of the major precepting authorities must be sought before the draft scheme goes out to public consultation.

- 8.4 The timing of consultation should be realistic and ensure feedback can be sought from all individuals and groups in the community.
 - 8.5 Whilst the Government's Code of Practice on Consultation states that 12 weeks is normally appropriate they state that there may be good reason for a shorter period such as a budget cycle or if changes proposed are relatively straight forward i.e. amend the level of the awards and not the qualifying criteria.
 - 8.6 Even so, it is important to ensure that any consultation is effective and we have time to gather feedback, to consider the responses to consultation before we make a final decision on our local support scheme.
 - 8.7 I wrote to the major precepting authorities outlining our approach on 25 July 2012 (see Annex 5) I have asked them to respond by Friday 17th August 2012; we must take their views into account before determining our draft scheme on which we will consult. We also need to determine how this wider consultation will be carried out and carry out a full Equality Impact Assessment on what we propose.
- 9 RECOMMENDED THAT COMMITTEE
- 9.1 Note the progress being made.
 - 9.2 Delegate to the Director of Resources in consultation with the Budget Working Group the Draft Scheme for Local Council Tax Support and the scheme of public consultation.

DIRECTOR OF RESOURCES

PF39-12/JP/AC
26 July 2012

BACKGROUND PAPERS

For further information please ask for Jane Pearson

Analysis

	Case Group				Totals
	A	B	C	D	
	Pension Age	Working Age Passported	Working Age Vulnerable	Working Age Other	

Imported Claim Data

Number of claims	1579	584	118	428	2709
Total weekly awards	£26,214.53	£10,244.55	£1,705.42	£5,516.40	£43,680.90
Average weekly award	£16.60	£17.54	£14.45	£12.89	£16.12
Total annual awards	£1,366,900.45	£534,179.97	£88,925.33	£287,641.01	£2,277,646.76

Calculated Claim Data

Total weekly awards	£26,162.41	£10,244.58	£1,660.58	£5,334.22	£43,401.79
Average weekly award	£16.57	£17.54	£14.07	£12.46	£16.02

Adjustment for Rise in Pension Age

No. of claims at pension age +/- 3 yrs	141	51	13	26	
Total weekly awards	£2,434.84	£885.96	£194.20	£366.13	
Average weekly award	£17.27	£17.37	£14.94	£14.08	
No. of claims adjustment for pension age change	13	-7	-3	-3	
Adjusted number of claims	1592	577	115	425	2709
Adjusted total weekly awards	£26,386.90	£10,122.98	£1,615.77	£5,291.98	£43,417.62
Adjusted average weekly award	£16.57	£17.54	£14.05	£12.45	£16.03

Adjustment for Caseload Trend

Ajustment (-) %age	0.00	0.00	0.00	0.00	0.00
Adjusted number of claims	1592	577	115	425	2709
Adjusted total weekly awards	£26,386.90	£10,122.98	£1,615.77	£5,291.98	£43,417.62
Total annual CTS Awards	£1,375,888.28	£527,841.00	£84,250.76	£275,938.70	£2,263,918.74

COLLECTION FUND ACCOUNTING ARRANGEMENTS - COUNCIL TAX

Annex 2

	Existing £		Future £	
Expenditure				
Deficit Brought Forward	90,434.19		90,434.19	
Precepts:				
Lancashire County Council	24,863,629.00		23,143,644.14	precepts fall as subsidy paid direct to each precepting authority except parishes
Lancashire Police Authority	3,363,453.00		3,130,780.28	
Lancashire Combined Fire Authority	1,427,924.00		1,329,144.87	
Ribble Valley incl Parishes	3,528,054.00		3,283,994.72	
Bad Debts Provision	250,753.00		250,753.00	
	33,524,247.19		31,228,751.19	
Income				
Share of Deficit from previous year:				
Lancashire County Council	67,925.65		67,925.65	
Lancashire Police Authority	8,964.58		8,964.58	
Lancashire Combined Fire Authority	3,901.00		3,901.00	
Ribble Valley incl Parishes	9,642.96		9,642.96	
Council Tax Income	31,138,317.00		31,138,317.00	
Council Tax Benefits	2,295,496.00		-	will be treated as a discount in future
	33,524,247.19		31,228,751.19	
Surplus/Deficit) Carried Forward	0.00		0.00	
Calculation of share of CTB cost			2,295,496.00	
Lancashire County Council	24,863,629.00	74.93%	1,719,984.86	
Lancashire Police Authority	3,363,453.00	10.14%	232,672.72	
Lancashire Combined Fire Authority	1,427,924.00	4.30%	98,779.13	
Ribble Valley incl Parishes	3,528,054.00	10.63%	244,059.28	
	33,183,060.00	100.00%	2,295,496.00	
Taxbase	22,434		21,052	taxbase falls as new benefit classed as a discount

COUNCIL TAXBASE CALCULATION JUNE 2012

AUTH	The Authority									
Dwellings on Valuation List	Band @	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
1. Total number of dwellings	0	3501	4808	4825	4433	3260	2035	1872	205	24939
2. Classes A - W	0	180	156	126	87	64	35	38	2	688
3. Demolished dwellings	0	0	0	0	0	0	0	0	0	0
4. Chargeable dwellings	0	3321	4652	4699	4346	3196	2000	1834	203	24251
5. Disabled reductions	0	7	15	25	25	26	21	22	12	153
6. Effectively chargeable	7	15	25	25	26	21	22	12	0	153
7. Adjusted chargeable dwellings	7	3329	4662	4699	4347	3191	2001	1824	191	24251
8. Entitled to 25% discount	2	1834	1837	1628	1157	631	338	227	21	7675
(a) SINGLE discount	2	1811	1768	1575	1127	606	318	221	21	7449
(b) 1 Disregard discount	0	23	69	53	30	25	20	6	0	226
9. Entitled to 50% discounts	0	70	77	75	45	39	21	28	1	356
(a) 2NDHOME discount	0	1	1	1	1	0	0	0	0	4
(b) 2 Disregard discounts	0	21	11	8	9	7	6	11	1	74
(c) ZERO discount	0	48	65	66	35	32	15	17	0	278
10. Prescribed Class Discounts:										
Actual Relevant										
a(i)										
a(ii)										
b(i) PCLB 10% 50%	0	31	44	36	31	29	11	19	1	202
b(ii)										
c(i)										
c(ii)										
11. Entitled to no discounts	5	1394	2704	2960	3114	2492	1631	1550	168	16018
Welsh Prescribed Discounts										
(already counted):										
(a) Class A (PCWA)										
(b) Class B (PCWB)										
12. Total equivalent dwellings	6.50	2820.00	4142.25	4236.50	4019.75	2999.25	1900.50	1743.75	184.75	22053.25
13. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
14. Band D equivalents	3.6	1880.0	3221.8	3765.8	4019.8	3665.7	2745.2	2906.3	369.5	22577.7



Case 1 Couple of Pensioner Age (not receiving full benefit)

William and Sarah are a couple both in their 70's who live in a Band B property. They currently claim Council Tax Benefit and have been awarded £20.85 per week based on means testing their income from state pensions, William's works pension and Sarah's savings. Their Council Tax charge is £29.85 per week so they so they have £9.00 per week to pay. When Local Support for Council Tax is introduced they will now receive a bill, which says they get a discount rather than benefit but the amount they have to pay will not change i.e. £9.00 per week.

Case 2 Single Pensioner (receiving full benefit)



Janet is 67 and she has recently moved to live in a sheltered housing flat that is in Band A. She finished work a few years ago but was always in low paid jobs so was not able to save for her retirement. She receives Pension Credit Guaranteed Credit and therefore she currently does not have any Council Tax to pay. Under the new system she will still have nothing to pay but her bill will show the reduction as a discount rather than benefit.

Case 3 Couple of working age in low paid work (not receiving full benefit)



David and Victoria live with their 3 children in a band D property. Victoria stays at home as two of the children have not started school yet and David works for a local firm on the minimum wage, which is topped up with tax credits and child benefit. Their Council Tax is £28.49 per week and they currently get £13.49 in benefit, reducing the amount that they have to pay to £15.00 per week. They will automatically be assessed for local support for Council Tax and may have to pay more in future. This will depend on whether we reduce the liability that we use to calculate their entitlement to local support for Council Tax by 10% or we reduce the amount of benefit that they currently receive by 12% or 25%. If we reduce the liability that



we use to determine their local Council Tax support by 10% they will have to pay an extra £2.85 per week. However if we decide to reduce their award they will have to pay an extra £1.62 per week with a 12% reduction and an extra £3.37 per week if the reduction is 25%.

Case 4 Single parent of working age not in work (receiving full benefit)

Patricia lives in a Band B property with her two children and receives Income Support. Her Council Tax is £16.62 per week and she currently gets full Council Tax Benefit. She will be automatically assessed for local support for Council Tax and may have to pay a contribution in future. This will be depend on whether we reduce the liability that we use to calculate her local support for Council Tax by 10% or we reduce her current award by 12% or 25%. If we reduce the liability that we use to determine her local Council Tax support by 10% she will have to pay an extra £1.66 per week. However if we reduce her award she will pay an extra £1.99 per week with a reduction of 12% and an extra £4.16 per week with a reduction of 25%.

Please ask for: Mrs J Pearson
Our ref: JP12-12/AC
Your ref:
Email: jane.pearson@ribblevalley.gov.uk
Resources fax: 01200 414432

24 July 2012

Dear Gill

Localised Council Tax Support

The purpose of this letter is to consult you about the approach that the Council intends to adopt in establishing its scheme for Council Tax Support from April next year.

We estimate that the total bill for Council Tax Benefit awarded to the Borough's residents in the current year will be just under £2.3m. A 10% cut in funding from Government will therefore amount to approximately £228k. The Council is in the process of drafting a local scheme that will pass on a substantial part of this reduction to residents of working age currently in receipt of Council Tax Benefit (CTB).

The Council is committed to carrying out a comprehensive consultation exercise during the period August to October. This will allow sufficient time for proper consideration and analysis of all points raised during consultation prior to the Council decision on adopting the local scheme in December. The Council's Policy and Finance Committee will be considering the latest position on localising Council Tax support on 7 August 2012. It will be recommended that any final decision regarding approval of a draft scheme will not take place until late August to ensure that the views of the three major precepting bodies are reported and taken into account by elected members in taking that decision.

The Council do not wish to add to the complexity of the current Council Tax Benefit Scheme therefore any local scheme will build upon the default scheme proposed by the Government certainly in the first year of operation.

Another important consideration for the Council is the amount of benefit currently given to different claimant groups. This can be summarised as follows:

- £1.4m Pensioners
- £0.5m Working Age (passported claims)
- £0.4m Working Age (non-passported)

This demonstrates that the Council has a proportionately high number of pensioners who as you are aware will be fully protected under the government's proposals. This clearly creates problems for the Council if the full required saving is to be made by reducing benefit for working age claimants (an overall average reduction of 25% would be necessary). The Council accept the view put forward in the Countywide discussions that the current benefit and proposed default scheme have built in elements to protect the most vulnerable. We wish to retain these important elements of protection in any new scheme.

We are therefore minded to recommend that, given the existing CTB scheme and other DWP benefits takes account of disability, young children, and applies a disregard to earned income, no further targeted protection should be offered under the Ribble Valley scheme. This would enable the reduction in the level of support provided to be applied equally amongst all working age claimants.

The Council recognises that before finalising any scheme a full and detailed Equalities Impact Assessment will need to be carried out to ensure the range of impacts on different categories of claimants is understood and that the overall work is robust and resilient to challenge. This work is on-going.

The Council is therefore currently considering a number of options for its Local Support Scheme on which we would like your views. These are as follows:

Option 1 Adopt the Default Scheme and reduce expenditure elsewhere

This would mirror the existing Benefit scheme and would be likely to be popular with claimants but would not achieve any savings leaving all the major precepting authorities to absorb the reduction in Government subsidy. The advantage would be that we would have a breathing space so that lessons could be learnt from others as they implement their support schemes.

Option 2 Reduce Council Tax Discounts and exemptions on empty and unfurnished properties and on Second Homes.

The funds raised from this in Ribble Valley would potentially be in excess of £400,000 pa and would therefore more than offset the reduction in Government subsidy allowing the new system of Council Tax support to mirror the existing benefit system. The same comments apply as in Option 1.

Option 3 Reduce Council Tax Support (Benefits)

Adopt a scheme of Council Tax support that reduces the support given to all working age claimants.

Having carefully considered each of these options the Council is currently minded to propose a local support scheme based upon the 3rd Option whereby support is reduced for all claimants however, we are also mindful that to do so in Ribble Valley because of our high numbers of pensioners means that to fully meet the reduction in grant would require a 25% reduction in benefit for all working age claimants.

We believe this would be too much to take off claimants and the prospect of collecting such significant increases in Council Tax extremely low. We also believe such increases would ultimately be counterproductive with collection being costly and non-payment being high. We also share the Government's view that the reduction in support can in part be managed by using flexibility over Council Tax.

The current arrangement whereby the funds raised from Council Tax on Second Homes in Ribble Valley is allocated to our Local Strategic Partnership ends on 31 March 2013. We are therefore minded to continue to charge Council Tax on Second Homes with the funds raised being used (£121,000 per year) to part fund the savings required. This would also ensure that those most able to pay were supporting those that could least afford to pay, in doing so Council Tax Support would therefore be reduced by 12% for all working age claimants either by:

- (i) A 10% reduction in Council Tax liability on which the support is based.
- (ii) A 12% reduction in Council Tax Support.

Whilst these calculations would give the same answer overall they would have a different impact mainly on those individuals not in receipt of full benefit at the moment. We would welcome your views in particular on these two options and whether you have a preference for one over the other.

Whilst we have heard arguments that council tax support and the other discounts and exemptions are completely separate we can't support that view. The Government clearly believes that it has given greater freedoms locally to Council's over both the design of support schemes and over the additional fund raising powers through changes to discounts and exemptions.

We believe that the scheme we have in mind would recognise local circumstances, would broadly be supported by Ribble Valley residents and importantly would raise the necessary funding to ensure that the major precepting authorities achieve the savings required to offset the reduction in Government subsidy. I do hope you will be able to support our approach. Please could you respond to this consultation by no later than Friday 17 August 2012.

Yours sincerely

Jane Pearson
Director of Resources

Cc Lisa Kitto, Treasurer, Lancashire Police Authority
Keith Mattinson, Lancashire Fire Authority

Ms G Kilpatrick
County Treasurer
Lancashire County Council
PO Box 100
County Hall
PRESTON
PR1 0LD

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 7 AUGUST 2012
title: CONCURRENT FUNCTION GRANTS
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To consider the allocation of concurrent function sector grants for 2012/13.

1.2 Relevance to the Council's ambitions and priorities:

- In accordance with the corporate strategy objective "to protect and enhance the existing environmental quality of our area", this report will provide a means for providing a high quality environment, including safe, clean parks and open spaces.
- In accordance with the sustainable community strategy a key priority is "to maintain, protect and enhance all natural and built features that contribute to the quality of the environment", this report will provide the means for supporting Parish/Town Councils with maintaining and protecting the quality of the environment.

2 BACKGROUND

2.1 The Concurrent Grant Scheme, which was approved a number of years ago by this Committee, gives grant assistance for those Parishes/Town Councils who provide services in their areas, which elsewhere are provided by the Borough Council. An annual revenue budget allocation has been approved of £20,000.

2.2 The Council agreed to support Parish and Town Council net revenue expenditure on the following concurrent functions. However, the scheme does not support capital expenditure or large one off items.

- Burial Grounds
- Bus Shelters
- Footpaths
- Footway Lighting
- Litter Collection
- Dog waste bins
- Parks and play areas

2.3 Support is limited to 25% of eligible net revenue expenditure in the previous year, subject to the overall cost to this Council not exceeding the £20,000 budget allocation.

3 ISSUES

3.1 On 4 May 2012 all Parish Councils were sent a concurrent function grant application form for 2012/13 and an invitation to apply for a grant, with applications to be received by this Council by 31 May 2012.

- 3.2 19 applications were received, details of which are shown in Annex 1. Revenue expenditure to be supported totalled £57,113, which based on a grant rate of 25% of the total amount of grant payable in 2012/13 equated to £14,278, which is within the £20,000 budget provided.
- 3.3 In accordance with the scheme the grant would normally be paid in 2 equal instalments on the 30th September and 31st March. However, due to the level of each individual grant, members may choose to recommend payment of this grant in a single instalment in order to reduce the level of administration.
- 3.4 Any grants sought over £1,000 are required to supply supporting documentation such as copy invoices. On examining these no invoices were found to be for capital expenditure or large one-off items.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications
- Resources – a total budget of £20,000 is available to fund the grants requested, and the proposed expenditure is within this balance
 - Technical, environmental and legal – no implications identified
 - Political – no implications identified
 - Reputation – the matter covered links to the Council's ambitions and priorities to protect and enhance the existing environmental quality of our area.
 - Equality and Diversity – the scheme is open to all parish and town councils.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve the allocation of grants as proposed in Annex 1.
- 5.2 Agree to the payment of the approved grants in a single instalment, rather than two instalments as outlined in the grant scheme.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF42-12/TH/AC
27 JULY 2012

BACKGROUND PAPERS
Concurrent Functions Grant Application Forms – 2012/13

For further information please ask for Trudy Holderness, extension 4436

ANNEX 1

CONCURRENT FUNCTION GRANT APPLICATIONS – 2012/13

Nos	Parish / Town Council	Burial Grounds £	Bus Shelters £	Footpaths £	Footway Lighting £	Litter Collection £	Dog Waste Bins £	Parks and Play Areas £	Total £	2012/13 Proposed Grant (25%) £	2011/12 Grant Paid £
1	Aighton Bailey/Chaigley							822.40	822.40	205.60	241.51
2	Billington & Langho	2,431.38		100.00		2,331.00		3,349.80	8,212.18	2,053.04	1,163.58
3	Bolton By Bowland			1,200.00		800.00		1,600.00	3,600.00	900.00	1,479.31
4	Bowland Forest(Higher)							1,792.99	1,792.99	448.25	501.88
5	Chatburn					674.00		1,654.27	2,328.27	582.07	610.17
-	Chipping								0.00	0.00	403.97
6	Clitheroe							1,929.18	1,929.18	482.30	299.58
7	Gisburn					335.00		900.00	1,235.00	308.75	140.63
8	Grindleton			2,778.76					2,778.76	694.69	590.46
9	Longridge					3,600.00		3,000.00	6,600.00	1,650.00	0.00
10	Mellor					1,364.34		1,863.48	3,227.82	806.96	773.39
11	Newton in Bowland						108.97	312.06	421.03	105.26	102.69
12	Pendleton							300.00	300.00	75.00	75.00
13	Read						816.57	1,013.06	1,829.63	457.41	492.56
14	Ribchester					1,672.00		573.00	2,245.00	561.25	529.25
15	Sabden	350.00		426.00		1,806.00	1,021.72	722.27	4,325.99	1,081.50	1,421.23
-	Salesbury								0.00	0.00	85.00
16	Waddington		256.00			724.00		2,355.00	3,335.00	833.75	787.16
17	Whalley	3,806.96			4,320.00			2,375.00	10,501.96	2,625.49	2,372.06
18	Wilpshire							380.00	380.00	95.00	30.00
19	Wiswell	204.00						1,044.00	1,248.00	312.00	406.50
		6,792.34	256.00	4,504.76	4,320.00	13,306.34	1,947.26	25,986.51	57,113.21	14,278.32	12,505.93

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 7 AUGUST 2012
title: NATIONAL NON DOMESTIC RATES WRITE OFF
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To obtain Committee's approval to write off a National Non-Domestic Rate debt.

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 BACKGROUND

NNDR

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. Any debt for which recovery action has not been taken within six years still remains but legal action cannot be taken.

2.2 As a matter of law, we are under an obligation to take reasonable steps to collect business rate debts.

2.3 We do this by various means, including summonses, distraint of goods, 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, are deceased with insufficient funds in the estate or cease trading.

2.4 The onset of the recession has seen more companies get into financial difficulties. Companies that get into the most financial difficulties have to take the administration/receivership options if they are unable to agree terms with their creditors.

3 CURRENT POSITION

3.1 There is one case where the business has gone into voluntary liquidation and therefore we are unable to take any action to recover the amount outstanding.

4 FINANCIAL IMPLICATIONS

4.1 Where NNDR debts are written off these costs are met from the national non domestic rate pool and do not fall directly on local council tax payers.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £1,619.31 of NNDR debts where it has not been possible to collect the amounts due.

REVENUES AND BENEFITS MANAGER

DIRECTOR OF RESOURCES

PF40-12/ME/AC

24 July 2012

Background papers: None

For further information please ask for Mark Edmondson ext 4504

Write Offs - NNDR

Year	Name	Property	Amount £
<i>VOLUNTARY LIQUIDATION</i>			
Liquidation is the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed. It is unlikely in this case that, as an unsecured creditor, we will receive any funds but if we do an adjustment will be made to the amount written off.			
2012/13	The Plate Limited	Back Ridge Farm, Twitter Lane, Bashall Eaves, Clitheroe	1,619.31
TOTAL NNDR			1,619.31

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 10

meeting date: 7 AUGUST 2012
 title: CAPITAL OUTTURN 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: NEIL SANDIFORD

1 PURPOSE

- 1.1 The purpose of this report is to seek member approval for the slippage of capital schemes from the 2011/12 financial year, to the 2012/13 financial year, and to review the final outturn on the capital programme for 2011/12 for this committee
- 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 need.
 - Other considerations – none identified

2 BACKGROUND

- 2.1 The Capital Programme for the Policy and Finance Committee consisted of 6 schemes. These were a combination of:
- New schemes approved as part of the capital programme in March 2011
 - Additional approvals
- 2.2 During the financial year all committees have received reports monitoring the progress of schemes within the programme.
- 2.3 As part of the closure of our accounts process, scheme expenditure has been capitalised and added to our balance sheet or charged to revenue where appropriate.

3 CAPITAL SCHEMES PERFORMANCE

- 3.1 Summary of budget approvals, actual and approved slippage.

BUDGET ANALYSIS				EXPENDITURE	REQUESTED SLIPPAGE
Original Estimate £	Additional Approvals £	Total Approved Budget £	Revised Estimate £	Actual Expenditure £	Slippage to 12/13 £
55,000	126,650	181,650	154,810	119,886	96,280

3.2 Overall 77% of the revised estimate has been spent. However, this includes the capitalisation of performance reward grant expenditure at the end of the financial year, which is not included in the estimates. When this spend is excluded, the comparison to revised estimate is reduced to 38%.

3.3 This variance is due almost entirely to the slippage for the Gallery and Tourist Information Remodelling scheme and also the Customer Facing Service Remodelling scheme.

3.4 Annex 1 to this report compares the budget for each scheme with actual expenditure and highlights the requested slippage.

4 SLIPPAGE

4.1 Where capital schemes are unfinished at the end of the financial year and there is a corresponding remaining unspent budget this is known as slippage. The amount of slippage requested to be carried forward into the next financial year is shown below.

4.2 For this Committee there are three schemes with identified slippage into 2012/13. These are:

Cost Centre	Schemes	Slippage into 2012/13 £
CSTSR	Customer Facing Service Remodelling	68,100
CCCRM	Contact Centre Customer Relationship	3,900
GALTI	Platform Gallery/Tourist Information Remodelling	24,280
Total Slippage for Policy and Finance Committee		96,280

4.3 Attached at Annex 2 are the individual requests for slippage forms. Committee is asked to consider these.

5 RISK ASSESSMENT

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

- Resources – A sum of £96,280 has been set aside in the Council's capital resources to fund the schemes which are requested to be carried forward as slippage.
- Technical, Environmental and Legal – None
- Political – None
- Reputation – Improving the interface with customers adds to the quality of service offered. This can only enhance the reputation of the Council.
- Equality & Diversity – Enhancing the interface with customers increases the level of access to services by all.

6 CONCLUSION

- 6.1 Overall 77% of the revised estimate was spent in year. However, after excluding the capitalisation of performance reward grants which was not included in the revised estimate, this percentage is reduced to just 38%, due to two large schemes with slippage.
- 6.2 Total slippage for this committee amounts to £96,280. The majority of this relates to the Gallery and Tourist Information remodelling scheme and also the Customer Facing Service Remodelling scheme.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Consider the requests for slippage shown at Annex 1 and approved the slippage of £96,280 into the 2012/13 financial year.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF44 -12/NS/AC
27 July 2012

BACKGROUND PAPERS:

For further information please ask for Neil Sandiford extension 4498

Policy and Finance Committee – Capital Outturn Report 2011/12

Cost Centre	Schemes	Original Estimate 2011/12 £	Additional Approvals £	Total Approved Budget £	Revised Estimate £	Actual Expenditure £	Slippage into 2012/13 £
CCCRM	Contact Centre CRM Replacement	25,000		25,000	28,160	24,259	3,900
CMRED	Clitheroe Market Redevelopment	30,000		30,000	0	0	0
CSTSR	Customer Facing Service Remodelling		74,130	74,130	74,130	6,026	68,100
GALTI	Platform Gallery/Tourist Information Remodelling		25,870	25,870	25,870	1,592	24,280
LCSYS	Land Charges System		26,650	26,650	26,650	26,650	0
PRGCP	Performance Reward Grant (Capital Element)			0	0	61,359	0
	Total Policy and Finance Committee	55,000	126,650	181,650	154,810	119,886	96,280

Request for slippage into 2012/13

Cost Centre and Scheme Title	CCCRM
Scheme Description	<i>Replacement of telephony and Customer Relationship Management (CRM) systems in the Contact Centre.</i>
Head of Service	Mark Edmondson
Year Originally Approved	2011/12

Revised Estimate 2011/12 for the Scheme	£28,160
Actual Expenditure in the Year 2011/12	£24,259
Variance - (Underspend) or Overspend	(£3,901)
Please provide full reasons for the (under) or over spend variance shown above?	<i>The quote for the replacement of the CRM system includes an allowance for training to enable RVBC staff to build and manage our own processes going forward. It was not possible or practical to complete all this training before the end of 2011/12.</i>

Slippage Request

Please grant the amount of Budget Slippage from 2011/12 to 2012/13 requested.	£3,900
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered. Attach any information that you feel may be relevant.	As above.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	March 2013

Request for slippage into 2012/13

Cost Centre and Scheme Title	<i>CSTSR: Customer Facing Service Remodelling</i>
Scheme Description	<i>Refurbishment of the Level b reception Area at the Council Offices</i>
Head of Service	<i>Tim Lynas</i>
Year Originally Approved	<i>2011/12</i>

Revised Estimate 2011/12 for the Scheme	<i>£74,130</i>
Actual Expenditure in the Year 2011/12	<i>£6,026</i>
Variance - (Underspend) or Overspend	<i>(£68,104)</i>
Please provide full reasons for the (under) or over spend variance shown above?	<i>Approval of the scheme was achieved at a later stage in the financial year. Due to the process involved ie drawing up plans, tendering, appointing a contractor and managing the project, it was always anticipated that completion of this project would fall into the 2012/13 financial year.</i>

Slippage Request

Please grant the amount of Budget Slippage from 2011/12 to 2012/13 requested.	<i>£68,100</i>
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered. Attach any information that you feel may be relevant.	<i>The scheme is under construction. Slippage is requested to enable the scheme to be completed.</i>
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	<i>Estimated completion date of July 2012.</i>

Request for slippage into 2012/13

Cost Centre and Scheme Title	<i>GALTI: Platform Gallery/Tourist Information Remodelling</i>
Scheme Description	<i>Refurbishment of the Platform Gallery to incorporate the Visitor Information Centre.</i>
Head of Service	<i>Tim Lynas</i>
Year Originally Approved	<i>2011/12</i>

Revised Estimate 2011/12 for the Scheme	<i>£25,870</i>
Actual Expenditure in the Year 2011/12	<i>£1,592</i>
Variance - (Underspend) or Overspend	<i>(£24,278)</i>
Please provide full reasons for the (under) or over spend variance shown above?	<i>Approval of the scheme was achieved at a later stage in the financial year. Due to the process involved ie drawing up plans, tendering, appointing a contractor and managing the project, it was always anticipated that completion of this project would fall into the 2012/13 financial year.</i>

Slippage Request

Please grant the amount of Budget Slippage from 2011/12 to 2012/13 requested.	<i>£24,280</i>
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered. Attach any information that you feel may be relevant.	<i>Approval of the scheme was achieved at a later stage in the financial year. Due to the process involved ie drawing up plans, tendering, appointing a contractor and managing the project, it was always anticipated that completion of this project would fall into the 2012/13 financial year.</i>
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	<i>May 2012</i>

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 11

meeting date: 7 AUGUST 2012
 title: OVERALL CAPITAL OUTTURN 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: NEIL SANDIFORD

1 PURPOSE

1.1 To provide members with details of the capital programme outturn for all Committees for the year ending 31 March 2012.

2 BACKGROUND

2.1 The total 2011/12 Capital Programme for the Council originally consisted of 8 schemes. Following slippage of schemes from 2010/11 and a number of additional approvals during the financial year this increased to a capital programme of 26 schemes.

2.2 During the financial year all committees have received reports monitoring the progress of schemes within the programme.

2.3 All scheme expenditure has now been capitalised and added to our balance sheet or charged to revenue where appropriate.

3 CAPITAL SCHEMES PERFORMANCE

3.1 During the year the council spent £540,969 on capital schemes. The main areas of expenditure included

- Longridge Activity Play Area
- Replacement of the customer relationship management system
- Replacement of the local land charges system
- Renovation and disabled facilities grants.

3.2 At the end of the financial year, work on some schemes was still underway. This unspent budget can be carried forward in to the new financial year and is known as slippage. Capital outturn by committee is shown in the summary table below.

Committee	BUDGET ANALYSIS						ACTUAL	
	Original Estimate £	Slippage from 2010/11 £	Additional Approvals £	Total Approved Budget £	Revised Estimate £	Budget Moved to 2012/13 £	Actual Expenditure £	Slippage to 2012/13 £
Community Services	270,000	38,290	118,580	426,870	206,790	185,080	155,136	51,290
Policy & Finance	55,000	0	126,650	181,650	154,810	0	119,886	96,280
Health & Housing	280,000	119,230	120,430	519,660	393,280	122,740	265,947	125,870
TOTAL	605,000	157,520	365,660	1,128,180	754,880	307,820	540,969	273,440

3.3 At revised estimate time members will recall that £307,820 was moved from 2011/12 to 2012/13 as it was considered very unlikely that 5 schemes would be completed before the end of the financial year. Details of these schemes are shown within the table at Annex 1.

3.4 Annex 1 to this report also compares the budget for each scheme with actual expenditure and highlights the requested slippage.

4 CONCLUSION

4.1 The capital accounts for 2011/12 have now been closed and the schemes with slippage have been considered by the appropriate committee, for their approval.

4.2 There are 13 schemes with slippage into 2012/13 and as a consequence this will increase the number of schemes in the capital programme for this financial year.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF45 -12/NS/AC

27 July 2012

BACKGROUND PAPERS:

For further information please ask for Neil Sandiford extension 4498

Overall Capital Programme Outturn 2011/12

ANNEX 1

Cost Centre	Schemes	Original Estimate 2011/12 £	Slippage £	Additional Approvals £	Total Approved Budget £	Revised Estimate £	Budget Moved to 2012/13 £	Actual Expenditure £	Slippage into 2012/13 £
Community Committee									
BADWC	Badger Well Water Culvert Collapse		8,070		8,070	8,070		5,953	1,500
CALOP	Calderstones Open Space		4,520		4,520	4,520		4,151	0
CARPK	Car Parks Rolling Programme	40,000			40,000	40,000		8,980	31,020
CPKMS	Replace car parking machines and software		6,860		6,860	6,860		6,701	0
EDFCR	Football Changing Room Refurbishment		5,590		5,590	5,590		5,106	450
GRFLG	Castle Grounds Green Flag Award Scheme		6,330		6,330	6,330		6,374	0
LADVE	Longridge Adventure Play Facility			78,500	78,500	78,500		75,459	3,040
PBRNG	Repairs to riverside path Brungerly		5,490		5,490	5,490		5,517	0
PITCH	Football Pitch Drainage and Improvement Works	10,000			10,000	10,000		10,745	0
PLAYM	Improvements to Children's Play Areas	20,000			20,000	20,000		13,302	6,700
RVFXV	Replace Refuse collection Vehicle VX53 TZJ	200,000			200,000	0	165,000	0	0
SPARK	Salthill Play Area		1,430		1,430	1,430		1,429	0
WMOOR	Whalley Moor – Woodland Paths and Nature Trails			40,080	40,080	20,000	20,080	11,419	8,580
	Total Community Committee	270,000	38,290	118,580	426,870	206,790	185,080	155,136	51,290
Policy and Finance Committee									
CCCRM	Contact Centre CRM Replacement	25,000			25,000	28,160		24,259	3,900
CMRED	Clitheroe Market Redevelopment	30,000			30,000	0		0	0

Overall Capital Programme Outturn 2011/12

Cost Centre	Schemes	Original Estimate 2011/12 £	Slippage £	Additional Approvals £	Total Approved Budget £	Revised Estimate £	Budget Moved to 2012/13 £	Actual Expenditure £	Slippage into 2012/13 £
CSTSR	Customer Facing Service Remodelling			74,130	74,130	74,130		6,026	68,100
GALTI	Platform Gallery/tourist information Remodelling			25,870	25,870	25,870		1,592	24,280
LCSYS	Land Charges System			26,650	26,650	26,650		26,650	0
PRGCP	Performance Reward Grant (Capital Element)				0	0		61,359	0
	Total Policy and Finance Committee	55,000	0	126,650	181,650	154,810	0	119,886	96,280
Health and Housing Committee									
CMEXT	Clitheroe Cemetery Extension		4,590		4,590	950		949	0
DISCP	Disabled Facilities Grants	180,000	35,000	19,180	234,180	165,000	69,180	151,409	13,590
EEGRT	Energy Efficiency Grants		2,000		2,000	2,000		2,536	0
FLDGR	Flood protection grant			101,250	101,250	101,250		790	100,460
LANGR	Landlord/Tenant Grants	100,000	56,080		156,080	111,080	45,000	102,591	8,490
REPPF	Repossession Prevention Fund		13,560		13,560	5,000	8,560	1,672	3,330
RESGT	Renewable Energy Source Grants		8,000		8,000	8,000		6,000	0
	Total Health and Housing Committee	280,000	119,230	120,430	519,660	393,280	122,740	265,947	125,870
	TOTALS FOR ALL COMMITTEES	605,000	157,520	365,660	1,128,180	754,880	307,820	540,969	273,440

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 12

meeting date: 7 AUGUST 2012
 title: CAPITAL MONITORING 2012/13
 submitted by: DIRECTOR OF RESOURCES
 principal author: NEIL SANDIFORD

1 PURPOSE

- 1.1 The purpose of this report is to provide Committee with information relating to the progress of the approved capital programme for this year. Slippage from the previous year is also reported.
- 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 need.
 - Other considerations – none identified

2 BACKGROUND

- 2.1 Members approved the proposals for the new capital programme as part of the budget setting process at its meeting in January. The programme was set against a background of limited capital resources and contracting revenue budgets.
- 2.2 In total two new schemes were approved at the meeting of Special Policy and Finance Committee and Full Council. This gave a total planned capital spend for this Committee for the current year of £125,000, which is shown at Annex 1.
- 2.3 In addition, not all planned expenditure for last year was spent. The balance of this, which is known as slippage, has been transferred to this financial year. The schemes affected are also shown at Annex 1 and total £96,280.

3 SCHEMES

3.1 The table below summarises the total approved programme together with actual expenditure to date. Annex 1 shows the full programme by scheme along with the budget and expenditure to date.

BUDGET			EXPENDITURE	
Original Estimate 2012/12 £	Slippage from 2011/12 £	Total Approved Budget £	Actual Expenditure as at end June 2012 £	Variance as at end June 2012 £
125,000	96,280	221,280	93,371	-127,909

3.2 To date 42% of the annual capital programme for this Committee has been spent or committed. Comments on the progress of each scheme to date is shown at Annex 2.

3.3 In summary reasons for the main variations to date are:

- SVNET: Server and Network Infrastructure: *To date quotes for the host software have been received and quotes relating to the host server are being sought.*
- ECDVI: Economic Development Initiatives: *Initial discussions have been held with relevant landowners and the District Valuer has been instructed to prepare valuation advice on potential sites. The Asset Management Group has considered the site options and once an option has been agreed expenditure will be required on pre-acquisition and due diligence processes.*

4. CONCLUSION

4.1 No expenditure on the new capital schemes approved for 2012/13 has been incurred to date. Progress is however being made on both schemes and it is anticipated that expenditure will be incurred during the next quarter.

TECHNICAL ACCOUNTANT

DIRECTOR OF RESOURCES

PF46-12/NS/AC
27 July 2012

BACKGROUND PAPERS – None

For further background information please ask for Neil Sandiford extension 4498

Policy and Finance Committee – Capital Programme 2012/13

ANNEX 1

Cost Centre	Schemes	Original Estimate 2012/13 £	Slippage £	Total Approved Budget £	Actual Expenditure £	Variation to Date £
CCCRM	Contact Centre Customer Relationship Management		3,900	3,900	4,000	100
CSTSR	Customer Facing Service Remodelling		68,100	68,100	60,112	-7,988
ECDVI	Economic Development Initiatives	100,000		100,000	0	-100,000
GALTI	Platform Gallery/Tourist Information Remodelling		24,280	24,280	29,259	4,979
SVNET	Server and Network Infrastructure	25,000		25,000	0	-25,000
	Total Policy and Finance Committee	125,000	96,280	221,280	93,371	-127,909

Individual Scheme Details and Budget Holder Comments

CCCRM Contact Centre Customer Relationship Management

Service Area: Revenues and Benefits

Head of Service: Mark Edmondson

Brief Description:

To identify and install a customer management system as a replacement to the one currently used in conjunction with Lancashire County Council

Start Date, duration and key milestones:

Start Date – April 2011

Original Anticipated Completion Date – December 2011

Financial Implications – CAPITAL

	£	Actual to end June £	Variance to end June £
Total Approved Budget 2012/13	3,900	4,000	100
Actual Expenditure 2011/12	24,259		
ANTICIPATED TOTAL SCHEME COST	28,159		

Financial Implications – REVENUE

There will be revenue savings of £34,000 associated with this scheme from 2012/13.

Useful Economic Life

10 years

Progress - Budget Holder Comments

June 2012: Part of the capital cost of this scheme related to training that was required to implement and make best use of the system. As the timescales for implementation were extremely tight we weren't able to complete all of the training prior to the implementation of the new system in December last year. A provision was made to carry the balance forward to this year to enable it to be completed. This training relates to the IT side of the system and a training session has been scheduled to take place in early August 2012, which will reduce the budget balance. Further training sessions will be held at a later date.

October 2011: Contractors have been chosen and orders placed. Completion is anticipated by the end of November 2011. The budget is overspent, as the estimate is slightly less than the contractor's costs. There will be further costs of £800 to be added to the final account as switching from one system to the new supplier will require a specialist technical input which was not predicted at the time the budget was developed.

July 2011: A preferred supplier will be chosen shortly and a purchase order issued. Completion is expected this financial year.

Policy and Finance Committee - Capital Programme 2012/13

CSTSR Customer Facing Service Remodelling

Service Area: Engineering Services

Head of Service: Terry Longden

Brief Description:

Consolidation of reception provision, creating a single area where a range of services can be accessed, and where members of staff can operate in a customer facing capacity in a range of private and semi-private areas.

Start Date, duration and key milestones:

Start Date – January 2012

Anticipated Completion Date – August 2012

Financial Implications – CAPITAL

	£	Actual to end June £	Variance to end June £
Total Approved Budget 2012/13	68,100	60,112	-7,988
Actual Expenditure 2011/12	6,026		
ANTICIPATED TOTAL SCHEME COST	74,126		

Financial Implications – REVENUE

This is an invest to save scheme, which will generate revenue savings

Useful Economic Life

20 years

Progress - Budget Holder Comments

June 2012: It is anticipated that works will be completed at the beginning of August on the Level B work. Whilst work on moving the cashier service took longer than expected due to ensuring continuity of service and security, the remaining phases of work have been completed in a shorter timescale than anticipated.

ECDVI Economic Development Initiatives

Service Area: Regeneration and Economic Development

Head of Service: Colin Hirst

Brief Description:

The project is to establish a general source of pump-priming and pre-investment funding to support the delivery of the Council's economic priorities. The scheme particularly seeks to support our high growth sectors in the provision of land and premises or tourism infrastructure where applicable. The Council needs to be able to develop and respond to initiatives that will support delivery of business growth. In order to develop schemes, this scheme allows the undertaking of works in areas such as valuation and feasibility assessments, due diligence, initial planning and design work.

Start Date, duration and key milestones:

The project will be implemented from April 2012 onwards. Key milestones will depend upon the individual projects developed.

Financial Implications – CAPITAL

	£	Actual to end June £	Variance to end June £
Total Approved Budget 2012/13	100,000	0	-100,000
ANTICIPATED TOTAL SCHEME COST	100,000		

Financial Implications – REVENUE

Unspecified – general revenue costs would be anticipated to be contained within existing budgets.

Useful Economic Life

Dependent upon the nature of the project

Progress - Budget Holder Comments

June 2012: Initial discussions have been held with relevant landowners. The District Valuer has been instructed to prepare valuation advice on potential sites. This advice has been received and is being given further consideration. The Asset Management Group has considered site options. An options report will be prepared once the options are determined. Expenditure will be required on feasibility reports once an option is agreed and on pre-acquisition and due diligence processes.

Policy and Finance Committee - Capital Programme 2012/13

GALTI Platform Gallery and Tourist Information Remodelling

Service Area: Engineering Services

Head of Service: Terry Longden

Brief Description:

Relocation of the Tourist Information Service to the Platform Gallery, with physical changes to the building in order to fulfill its role as a combined galley and information centre.

Start Date, duration and key milestones:

Start Date – January 2012

Anticipated Completion Date – May 2012

Financial Implications – CAPITAL

	£	Actual to end June £	Variance to end June £
Total Approved Budget 2012/13	24,280	29,259	4,979
Actual Expenditure 2011/12	1,593		
ANTICIPATED TOTAL SCHEME COST	25,873		

Financial Implications – REVENUE

The combined service will generate substantial savings particularly through staffing efficiencies.

Useful Economic Life

20 years

Progress - Budget Holder Comments

June 2012: Work on the gallery and information centre has been completed and the facility opened to the public within anticipated timescales. The new facility has been warmly welcomed by visitors and staff alike.

Policy and Finance Committee - Capital Programme 2012/13

SVNET Server and Network Infrastructure

Service Area: Financial Services (ICT)

Head of Service: Lawson Oddie

Brief Description:

To consolidate and replace the Council's ageing servers and network switches. At the time of replacement, greener, more efficient and up to date technology will be taken full advantage of.

Start Date, duration and key milestones:

Start Date: April 2012

Key Tasks: Implementation of VM Solution, Migration of first servers, installation of Layer 3 Switch and Vlan Network, replace ageing Layer 2 Switches.

Financial Implications – CAPITAL

	£	Actual to end June £	Variance to end June £
Total Approved Budget 2012/13	25,000	0	-25,000
ANTICIPATED TOTAL SCHEME COST	25,000		

Financial Implications – REVENUE

There will be some energy savings, however it is difficult to quantify with any accuracy.

Useful Economic Life

5 to 7 years.

Progress - Budget Holder Comments

June 2012: The specification has been sent out for the Host Server and we are currently awaiting return of supplier quotes. The VM Ware quotes have now been received and are currently being reviewed prior to ordering.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 13

meeting date: 7 AUGUST 2012
 title: OVERALL CAPITAL MONITORING 2012/13
 submitted by: DIRECTOR OF RESOURCES
 principal author: NEIL SANDIFORD

1 PURPOSE

1.1 To provide members with information relating to the progress of the approved capital programme for the first quarter of this financial year.

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 need.
- Other considerations – none identified

2 BACKGROUND

2.1 All committees considered proposals for the new capital programme at their meetings in January. The programme was set against a background of limited capital resources and contracting revenue budgets.

2.2 In total 12 schemes were approved for the 2012/13 financial year, which included budgets for 5 schemes that were moved from 2011/12 at the revised estimate time. This made a total planned capital spend for the current year of £938,820, which is shown at Annex 1.

2.3 In addition, not all planned expenditure for last year was spent. The balance of this (which is known as slippage) has been transferred into this financial year. The schemes affected are also shown at Annex 1 and total £273,440. This gives a total approved budget for this year of £1,212,260.

3 SCHEMES

3.1 The table below summarises the total approved programme together with actual expenditure to the end of June. Annex 1 shows the full programme by scheme along with the budget and expenditure to date.

Committee	BUDGET				EXPENDITURE	
	Original Estimate 2012/12 £	Budget moved from 2011/12 £	Slippage from 2011/12 £	Total Approved Budget £	Actual Expenditure as at end June 2012 £	Variance as at end June 2012 £
Community	221,000	185,080	51,290	457,370	343,332	-114,038
Policy & Finance	125,000	0	96,280	221,280	93,371	-127,909
Health & Housing	285,000	122,740	125,870	533,610	135,671	-397,939
Total	631,000	307,820	273,440	1,212,260	572,374	-639,886

3.2 To date 47% of the annual capital programme has been spent as at the end of the first quarter of the year.

3.3 The main variations to date are:

- CMEXT – Clitheroe Cemetery installation of infrastructure. *The work anticipated to be completed this financial year is now not expected to be completed until spring/summer of next year. This year we will design the scheme, develop the specification and invite tenders for a start early next April. We will also divert public footpaths in the area. Some costs will therefore slip into the next financial year. At present this is anticipated to be in the order of £80,000.*
- LANGR - Landlord/Tenant Grants. *To date four applications for grant aid have been approved and a further eight are close to approval stage. When finalised this should leave capacity within the budget for one further approval this year.*
- DISCP - Disabled Facilities Grants. *To date eleven disabled Facilities Grants have been approved at a total cost of £60,000. A further two maximum grant schemes of a value of £30,000 each are anticipated which will leave a balance of £82,000 for other schemes this year.*
- CARPK - Car Parks. *Negotiations on the lease at Dunsop Bridge are now complete and work on the resurfacing will commence after some work that is to be undertaken by United Utilities on a water main crossing the site.*
- CCTVT - CCTV System Data Transmission Pack. *A specification is currently being drawn together for the scheme with completion anticipated by the end of October.*
- RFXVV - Refurbishment of Refuse Vehicle VX04 FXV. *The balance outstanding on the budget is for work on the transfer of the lifting gear from the old vehicle to the new vehicle.*
- RFPWL - Refurbishment of Refuse Vehicle PN05 PWL. *Quotes have now been received for this work.*
- WMOOR - Woodland Moor Paths and Nature Trails. *Paths and landscape works are completed and workshops with local schools to create public art are underway.*
- SVNET - Server and Network Infrastructure. *To date quotes for the host software have been received and quotes relating to the host server are being sought.*
- ECDVI - Economic Development Initiatives. *Initial discussions have been held with relevant landowners and the District Valuer has been instructed to prepare valuation advice on potential sites. The Asset Management Group has considered the site options and once an option has been agreed expenditure will be required on pre-acquisition and due diligence processes.*

4 CONCLUSION

- 4.1 Overall expenditure to date equals 47% of the overall capital programme for the current financial year.
- 4.2 For Community Committee the capital programme is now substantially complete with the remainder of the programme anticipated to be completed over the coming months.
- 4.3 Health and Housing Committee variance is mainly due to the delays on work at the Clitheroe Cemetery, which will now not be completed until the 2013/14 financial year.

4.4 For Policy and Finance Committee the main variance is around the Economic Development Initiatives, however work is underway in this area.

TECHNICAL ACCOUNTANT

DIRECTOR OF RESOURCES

PF47-12/NS/AC
27 July 2012

BACKGROUND PAPERS - None

For further background information please ask for Neil Sandiford extension 4498.

Overall Capital Monitoring – April to June 2012

Cost Centre Schemes		Original Estimate 2012/13 £	Budget Moved from 2011/12 £	Slippage £	Total Approved Budget £	Actual Expenditure £	Variation to Date £
	Community Committee						
BADWC	Badger Well Culvert Collapse			1,500	1,500	284	-1,216
CARPK	Carp Parks Rolling Programme			31,020	31,020	1,929	-29,091
LADVE	Longridge Adventure Play Facility			3,040	3,040	2,241	-799
CCTVT	CCTV System data Transmission Pack	14,000			14,000	0	-14,000
EDFCR	Edisford Changing Rooms			450	450	0	-450
GGMOW	Gang Mower Replacement – Major	22,000			22,000	21,995	-5
RFXVV	Replacement of VX04 FXV Refuse Collection Vehicle	170,000			170,000	147,920	-22,080
RFPWL	Refurbishment of Body on PN05 PWL	15,000			15,000	0	-15,000
PLAYM	Improvements to Children's Play Areas			6,700	6,700	1,794	-4,906
RVFXV	Replace Refuse Collection vehicle VX53 TZJ		165,000		165,000	163,713	-1,287
WMOOR	Whalley Moor – Woodland Paths and Nature Reserve		20,080	8,580	28,660	3,456	-25,204
	Total Community Committee	221,000	185,080	51,290	457,370	343,332	-114,038

Overall Capital Monitoring – April to June 2012

Cost Centre Schemes		Original Estimate 2012/13 £	Budget Moved from 2011/12 £	Slippage £	Total Approved Budget £	Actual Expenditure £	Variation to Date £
	<i>Policy and Finance Committee</i>						
CCCRM	Contact Centre Customer Relationship			3,900	3,900	4,000	100
CSTSR	Customer Facing Service Remodelling			68,100	68,100	60,112	-7,988
ECDVI	Economic Development Initiatives	100,000			100,000	0	-100,000
GALTI	Platform Gallery/Tourist Information Remodelling			24,280	24,280	29,259	4,979
SVNET	Server and Network Infrastructure	25,000			25,000	0	-25,000
	Total Policy and Finance Committee	125,000	0	96,280	221,280	93,371	-127,909
	<i>Health & Housing Committee</i>						
CMEXT	Installation of Infrastructure	90,000			90,000	0	-90,000
LANGR	Landlord/Tenant Grants	75,000	45,000	8,490	128,490	15,184	-113,306
DISCP	Disabled Facilities Grants	120,000	69,180	13,590	202,770	11,647	-191,123
REPPF	Repossession Prevention fund		8,560	3,330	11,890	5,000	-6,890
FLDGR	Flood Grants			100,460	100,460	103,840	3,380
	Total Health & Housing Committee	285,000	122,740	125,870	533,610	135,671	-397,939
	TOTAL	631,000	307,820	273,440	1,212,260	572,374	-639,886

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 14

meeting date: 7 AUGUST 2012
 title: REVENUE OUTTURN 2011/12
 submitted by: DIRECTOR OF FINANCE
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the actual position for the revenue budget year ended 31 March 2012 for this Committee.

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 need and meets the objective within this priority, of maintain critical financial management controls, ensuring the authority provides council tax payers with value for money.
- Other Considerations – none identified.

2 BACKGROUND

2.1 The Council's draft Statement of Accounts have now been produced and have been approved by Accounts and Audit Committee and are currently subject to audit by the Council's external auditors. Accounts and Audit Committee will approve the final audit version of the statements at the end of August.

2.2 The information contained within the Statements is in a prescriptive format. However the service cost information is being reported to Committees for their own relevant services in our usual reporting format in the current cycle of meetings.

3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £713,190. After allowing for transfers to and from earmarked reserves this under spend is reduced to £48,289. Please note that underspends are denoted by figures with a minus symbol.

Cost Centre	Cost Centre Name	Revised Estimate £	Actual £	Difference £
OMDEV	Organisation & Member Development	0	0	0
COMPR	Computers	0	0	0
FSERV	Financial Services	0	0	0
LSERV	Legal Services	0	0	0
REVUE	Revenues and Benefits	0	0	0

Cost Centre	Cost Centre Name	Revised Estimate £	Actual £	Difference £
CONTC	Contact Centre	169,310	144,389	-24,921
CIVST	Civic Suite	-2,500	0	2,500
CLOFF	Council Offices	-6,000	0	6,000
CORPM	Corporate Management	284,490	281,540	-2,950
CEXEC	Chief Executives Department	0	1,900	1,900
CSERV	Corporate Services	182,730	175,624	-7,106
CLTAX	Council Tax	325,800	305,591	-20,209
NNDRC	National Non Domestic Rates	28,530	25,728	-2,802
ATTEN	Mayor's Attendant	0	0	0
CIVCF	Civic Functions	55,030	51,481	-3,549
COSDM	Cost of Democracy	403,280	391,701	-11,579
MAYCR	Mayoral Transport	0	0	0
DISTC	District Elections	85,570	84,927	-643
BYELE	District By-Election	4,730	5,032	302
EUROP	European Elections	0	0	0
LANCS	Lancashire County Elections	0	0	0
PARIS	Parish Elections	110	110	0
PARLI	Parliamentary Elections	7,440	6,900	-540
ELECT	Register of Electors	69,190	67,564	-1,626
VARIOUS	Meals on Wheels & Luncheon Clubs	20,550	19,249	-1,301
LANDC	Land Charges	37,260	38,497	1,237
LICSE	Licensing	32,480	27,601	-4,879
EMERG	Community Safety	64,290	55,103	-9,187
FMISC	Policy & Finance Miscellaneous	132,930	-317,991	-450,921
PERFM	Performance Reward Grant	197,930	37,303	-160,627
SUPDF	Superannuation Deficiency Payment	118,840	117,355	-1,485
ESTAT	Estates	14,830	1,511	-13,319
CONCS	Concessionary Travel	4,910	4,904	-6
FGSUB	Grants and Subscriptions	151,740	143,229	-8,511
ALBNM	Albion Mill	-1,210	430	1,640
INDDV	Economic Development	67,110	66,502	-608
NET COST OF SERVICES		2,449,370	1,736,180	-713,190

ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES				
FNBAL H230	Election Fund	-43,700	-43,999	-299
FNBAL H261	LALPAC Reserve Fund	0	-442	-442
FNBAL H262	IT Equipment Reserve	9,000	21,310	12,310
FNBAL H263	Government Connect Reserve Fund	-5,240	-5,239	1
FNBAL H269	Asset Valuation Reserve	2,000	2,000	0
FNBAL H276	Promotional Activities Reserve	0	1,950	1,950
FNBAL H277	Estates Maintenance Reserve	-2,500	-2,500	0
FNBAL H279	Emergency Plan Reserve	0	2,520	2,520
FNBAL H325	Vat Shelter Reserve Fund	0	445,230	445,230
FNBAL H326	Performance Reward Grant	-197,930	-37,303	160,627
FNBAL H334	Restructuring Reserve	0	6,887	6,887
FNBAL H335	Invest to Save	0	21,917	21,917
FNBAL H337	Equipment Reserve	0	2,000	2,000
CPBAL H330	Sale of Freeholds to capital reserve	0	12,200	12,200
NET BALANCES AND RESERVES		-238,370	426,531	664,901
NET EXPENDITURE		2,211,000	2,162,711	-48,289

3.2 We have extracted the main variations and shown them, with the budget holder's comments at Annex 1. However a summary of the main variations is given in the table below.

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
COMPR Computer services	There has been a programmed reduction in expenditure on such areas as hardware, software and stationery. This has been set aside to meet future commitments for the updating of various licences in future years.	-13,306
CONTC Contact Centre	Only a part year contribution was required by LCC shared services contact centre partnership at the termination of the arrangement.	-21,917
EMERG Community Safety	Reduced expenditure on purchase of equipment and materials due to delay in producing district emergency and business continuity plans. Part of this has been set aside in an earmarked reserve.	-8,498

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
FMISC Policy & Finance Miscellaneous	This relates to income received from Ribble Valley Homes in respect of the VAT shelter arrangement All of these monies have been set aside in an earmarked reserve.	-445,230
PERFM Performance reward grants	Grant schemes that were anticipated to be completed by March 2012 have slipped into 2012/13 (£99K) and part of the expenditure (£61k) has been capitalised as per the grant protocol.	-160,627
VARIOUS Salary costs	There has been a number of areas of reduced staffing costs, partly due to early implementation of approved service review savings, vacant posts and also strike action	-15,123

3.3 As can be seen above, the key variances have been met from, or have been set aside in, the council's earmarked reserves. There are large number of smaller variances as can be seen at Annex 1, many of which are as a result of officers continuing the prudent approach to non-essential expenditure in the year.

3.4 The early implementation of a number of the approved service review savings have had a positive impact on the outturn for the 2011/12 financial year. This has helped ensure the achievement of the full value of these savings in the 2012/13 financial year.

4 CONCLUSION

4.1 The comparison between actual and budgeted expenditure shows an underspend for the financial year 2011/12 of £713,190. After transfer to / from earmarked reserves this is reduced to £48,289.

4.2 A substantial amount of the underspend has been set aside in earmarked reserves, notably the VAT shelter arrangement receipts.

4.3 It is reassuring to see the positive financial results of the early implementation of some of the approved service review savings.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF49-12/TH/AC
30 July 2012

BACKGROUND PAPERS;
Policy & Finance closedown working papers

For further information please ask for Trudy Holderness, extension 4436.

POLICY & FINANCE COMMITTEE – VARIANCES 2011/12

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Organisation and Member Development					
Reduced employee costs due to deduction made for jury service and strike pay and less temporary cover for receptionists	-1,180				
Reduced departmental and corporate training due to freeze on non essential expenditure	-5,999				
Below average mileage claims and delays in claiming mileage and also less rail travel	-1,090				
Reduction in purchase of equipment & materials, maintenance of equipment, printing & stationery, photocopying, reference books, postages mainly due to a freeze on non essential purchases and continued procurement savings plus additional income from printing	-5,695	-847			
Below 2 year average on telephone call charges and little maintenance costs on main telephone system	-1,500				
Reduced support costs mainly from Council offices and Computer services due to reduction in costs in those sections			-2,094		
The decrease in net expenditure is reflected in reduced recharges to other services			18,473		68
Computer Services					
Reduced employee costs due to delay in recruiting to post of web and ICT administrator	-3,115				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Reduction in tuition fees, purchase of equipment and materials, hardware and software maintenance, computer stationery and government connect costs due to freeze on non essential expenditure and providing for updating operating systems on PCs	-13,306				
Reduced accommodation costs and support costs from financial services and organisation & member development due to reduced costs within those sections.			-993		
The decrease in net expenditure is reflected in reduced recharges to other services			18,063		649
Financial Services					
Reduced employee costs due to deductions for strike pay, jury service and leave without pay	-1,024				
Reduction in mileage Refreshments, Printing & Stationery, and postages due to freeze on non essential expenditure	-1,299				
Increase in income due to allocation of DEFRA flood grant to cover staff costs working on project		-1,027			
Reduced accommodation costs and support costs from financial services and organisation & member development due to reduced costs within those sections.			-2,214		
The decrease in net expenditure is reflected in reduced recharges to other services			6,195		631

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Legal Services					
Reduced employee costs due early implementation of approved service review savings.	-3,545				
Reduction in tuition costs, mileage costs, purchase of equipment and materials, protective clothing, reference books, postages and statutory notices due to freeze on non essential expenditure	-5,198				
Below average expenditure in the period October to March on legal fees plus above average costs awarded for the same period	-1,522	-894			
Reduced accommodation costs and support costs from computer services and organisation & member development due to reduced costs within those sections			-4,280		
The decrease in net expenditure is reflected in reduced recharges to other services			15,537		98
Revenue Services					
Reduced employee expenses due early implementation of approved service review savings and also deductions for strike and part time vacant posts in benefits and cashiers sections	-3,749				
Reduction in tuition costs, mileage costs, rail fares and printing & stationery due to freeze on non essential expenditure	-2,318				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Reduction in accommodation costs and support costs from Financial services and organisation & member development due to reduced costs within those sections			-3,014		
The decrease in net expenditure is reflected in reduced recharges to other services			9,412		331
Contact Centre					
Reduced employee costs due to vacant part time customer services advisor post	-1,459				
Only part year contribution to LCC shared services contact centre partnership required.	-21,917				
Reduction in accommodation costs and support costs from Financial services and Computer services due to reduced costs within those sections			-803		-24,179
Civic Suite					
Reduced employee costs mainly due to less temporary cover being required to cover civic suite attendant.	-1,433				
Increase in hire of civic suite		-1,909			-3,342
Council Offices					
Reduced employee related expenses due to vacant posts and less temporary cover	-1,062				
Reduced repair & maintenance costs as only essential repairs being carried out	-2,843				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
The decrease in net expenditure is reflected in reduced recharges to other services			11,578		7,673
Corporate Management					
Reduced support costs mainly from financial services and chief executives due to reduced costs in those sections			-2,950		-2,950
Chief Executive					
Reduced tuition costs, provision for staff adverts, staff medical costs and professional subscriptions	-2,396				
Reduced mileage costs due to no claims being made from some staff and below average claims, offset by an increase in rail fares	-1,824				
Reduced expenditure on protective clothing, reference books, postages, subscriptions, food and security phones	-4,834				
Increase in income due to allocation of DEFRA flood grant to cover staff costs working on project		-1,021			
Additional income mainly from connection to new mobile phone provider. This has been set aside in an earmarked reserve.		-2,377			
Reduced accommodation costs and support costs from computer services and organisation & member development due to reduced costs within those sections			-7,616		

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
The decrease in net expenditure is reflected in reduced recharges to other services			21,278		1,210
Corporate Services					
Reduced costs in producing the Ribble Valley News	-1,257				
Delay in placing order for information boards as higher quality of goods being sought. This has been set aside in an earmarked reserve.	-1,933				
No advertisement income received after the voluntary liquidation of One Stop Media Services Ltd		1,150			
Reduced support costs mainly from organisation and member development and financial services and computer services due to reduced costs within those sections			-4,960		-7,000
Council Tax					
Reduced cost of purchase of equipment, printing & stationery, software maintenance, postages, legal fees and all pay costs offset by additional court costs	-6,005				
Increase in summonses income		-5,730			
Reduction in support costs mainly from revenues service and computer services due to reduced costs within those sections			-7,852		-19,587

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
National Non Domestic Rates					
Reduced discretionary grants, mainly as a result of small business rate relief	-521				
Increase in Section 31 - small business rate relief grant		-996			
Increase in summonses income		-920			-2,437
Civic Functions					
Reduced expenditure on Mayoress at home, refreshments and other civic function expenditure	-2,435				
Reduction in support costs mainly from Mayors attendant			-999		-3,434
Cost of Democracy					
Reduced expenditure on purchase of equipment, car allowances and council meeting expenses due to freeze on non essential expenditure and reduction in mileage rate	-3,970				
Reduction in accommodation costs and support costs mainly from legal services and organisation and member development due to reduced costs in those sections			-7,157		-11,127
Register of Electors					
Reduced expenditure on register of elector fees as no overtime worked after register of elector's forms delivered.	-1,238				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Reduction in support costs mainly from legal services due to reduction in costs in this section.			-760		-1,998
Meal on wheels / Luncheon clubs					
Reduction in cost of meals supplied and transport and equipment costs due to reduced number of recipients, offset by reduced income from sales and lower contribution from LCC	3,471	-2,443			1,028
Land Charges					
Reduced income from searches due to continued problems in the housing market		7,680			
Reduced support costs mainly from legal services due to reduced costs in the section			-5,530		2,150
Licensing					
Reduced support costs mainly from legal services due to reduced costs in the section			-4,140		-4,140
Community Safety					
Reduced expenditure on purchase of equipment and materials due to delay in producing district emergency and business continuity plans and also more partnership working. Part of this has been set aside in an earmarked reserve	-8,498				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Increase in support costs mainly from chief executives due to reduced costs in the section			-650		-9,148
Policy and finance miscellaneous expenses					
Reduction in the planned grant audit fee	-4,551				
Income received from Ribble Valley Homes in respect of VAT shelter monies This has been set aside in an earmarked reserve fund.		-445,230			
Reduced support costs mainly from Debt Management			-1,151		-450,932
Performance reward grants					
Schemes that were anticipated to be completed by March 2012 have slipped into 2012/13 and part of the 2011/12 expenditure has been capitalised as per Grant protocol. This is offset by movements in the earmarked reserves.	-160,627				-160,627
Superannuation Deficiency Payment					
Reduction in beneficiaries	-1,485				-1,485
Estates					
No legal fees incurred in the year. The estimate was based on a 3-year average.	-1,260				
Increase in income from sales of freehold land. This has been set side in earmarked reserve.		-11,080			-12,340

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Policy and finance grants and subscriptions					
No subscription paid to Community foundation for the last 2 years and also to the Fourth option special interest group and NW regional assembly offset by additional payment to sparse- rural partnership	-5007				
An underspend variance on grants to precepting bodies as no revised ad-hoc grant requests received after estimates prepared	-3,494				-8,501
Albion Mill					
Reduced expenditure on legal fees as no fee is charged until rents reviewed	-1,540				
Reduced income from lease of units due to unit 2 and 3 being vacant from October		3,244			1,704
Other	-17,055	6,433	5,117		-5,505
TOTAL	-305,713	-455,967	48,490	0	-713,190

Variances on Items Added to / (Taken from) Balances and Reserves		£
Computer equipment – additional funds set aside to fund future purchase of software licenses		12,310
Contribution to promotional activities reserve to fund Ribble Valley Food trial information boards		1,950
Emergency Plan reserve - contribution to reserves to fund district emergency plan and district continuity plan		2,520
Vat Shelter - Income received from Ribble Valley Homes in respect of VAT shelter monies set aside in an reserve fund		445,230
Performance reward grants - slippage on completion of schemes and schemes capitalised as per grant protocol.		160,627
Restructuring reserve – reduced staffing costs due to vacant posts and early implementation of approved service review savings		6,887
Invest to save – savings from early implementation of approved services review savings		21,917
Equipment reserve - Contribution to fund replacement corporate mobile handsets		2,000
Revenue contribution towards capital expenditure - mainly from sale of freehold land		12,200
Other		-742
Total		-48,289

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 15

meeting date: 7 AUGUST 2012
 title: OVERALL REVENUE OUTTURN 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To report the revenue outturn for the year ending 31 March 2012.
- 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 need.
 - Other considerations – none identified

2 BACKGROUND

- 2.1 Our unaudited Statement of Accounts were approved by Accounts and Audit Committee on 27 June 2012. These have been published on our website and are available to download.
- 2.2 The Council's external auditors, the Audit Commission are currently undertaking their audit of our accounts, and approval of the final audited Statement of Accounts will take place at Accounts and Audit Committee on 22 August 2012. We are required to publish our audited accounts by the end of September 2012.

3 OVERALL PERFORMANCE

- 3.1 Shown below is the final position for the 2011/12 financial year.

Committee	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£'000	£'000	£'000	£'000	£'000
Community Services	3,700	3,427	3,345	-355	-82
Policy & Finance	2,508	2,449	2,342	-166	-107
Planning & Development	613	725	578	-35	-147
Health & Housing	751	632	529	-222	-103
Committee Expenditure	7,572	7,233	6,794	-778	-439
Interest Payable	26	23	23	-3	0
Parish Precepts	372	372	372	0	0
Interest Received	-30	-30	-22	8	8
Net Operating Expenditure	7,940	7,598	7,167	-773	-431

Committee	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£'000	£'000	£'000	£'000	£'000
Precept from Collection Fund (including parish precepts)	-3,519	-3,519	-3,519	0	0
Deficit on Collection Fund	15	15	15	0	0
New Homes Bonus	-60	-62	-62	-2	0
Council Tax Freeze Concession	-79	-79	-79	0	0
Revenue Support Grant	-764	-764	-764	0	0
Business Rates Redistribution	-2,473	-2,473	-2,473	0	0
Deficit/(Surplus) for year	1,060	716	285	-775	-431
Accounting Adjustment for Overpaid Benefits recovered from ongoing benefit	0	0	-74	-74	-74
Depreciation	-799	-768	-763	36	5
Minimum Revenue Provision	140	144	144	4	0
Net Transfer to/from earmarked reserves	-215	-66	240	455	306
Deficit/(Surplus) for year	186	26	-168	-354	-194

3.2 You will see we have made a surplus of £168,000 during the year compared with the Revised Estimate of a deficit of £26,000 and the Original Estimate of a deficit of £186,000.

3.3 When the Revised Estimates were considered in January we explained the main differences between the Original and Revised Estimates. During the preparation of the revised estimate a number of changes were made to the budget:

Item	£'000
Increase in New Homes Bonus	-2
Decrease in Interest Payable	-3
Decrease in Depreciation	31
Increase in Minimum Revenue Provision	4
Decreased use of earmarked reserves	149
Net decrease in Service Committee costs	-339
Net decrease in amount to take from balances for the year	-160

Final Position Compared to the Revised Estimate

- 3.4 Following the setting of the revised estimate there have been a number of variances that have occurred which have impacted on the final outturn for the Council. The main variances have been around increased income from planning fees and also a continued restraint on spending on equipment and materials.
- 3.5 The main variations affecting our final position compared with the revised estimate can be summarised below.

Variation	£'000
Direct Employee Costs	-45
Pension Strain Costs	43
Indirect Employee Costs	11
Energy Costs	-14
Repairs and Maintenance	-25
Transport Costs	-21
IT Software and Hardware	-14
Equipment and Materials	-59
Consultants	-30
Printing and Stationery, Promotions, Reference Books, Postages	-29
Subscriptions and Conferences	-14
Audit Fees and Legal Fees	-10
Consultants	-30
Benefit Payments	65
Warm Homes Grant payments	-46
General Grant payments	-16
CRM Contribution	-22
Increased Housing Benefit and Council Tax Benefit Subsidy Income	-76
Flood Grant Income (Admin)	-11
Increased Planning and Pre-Planning Fees Income	-62
Decreased Building Regulations Fees Income	12
Increased income from Land Rents (Sale of Freeholds)	-11
Increased 'Other Services' Income	-15
Other Service Underspends transferred to General Fund Balance	-15
	-434
Accounting Adjustment - Benefits	-74
Decreased Interest Received	8
Extra Transfers to Earmarked Reserves	306
Increase in amount to add to balances	-194

- 3.6 It is important to highlight that the savings shown above for 2011/12 are not necessarily sustainable or recurring. The continued restraint by officers on spending is to be commended, particularly in light of the continued uncertainty around the level of central government financial support after this current financial year.
- 3.7 The main of the staffing underspends have been as a direct result of the early implementation of the approved service review recommendations. These have been set aside to fund some other associated costs such as redundancy costs and pension strain costs.

General Fund Balances

- 3.9 It is obviously very important to maintain a healthy level of general fund balances to cover for unforeseen events and also provide a stable level of resources for future planning. This however has to be balanced against meeting the council's spending priorities and also very importantly setting a low council tax.
- 3.10 We had originally planned to take £186,000 from general fund balances to help finance the 2011/12 spending plans. However, this was revised later in the year to taking £26,000 from general fund balances. The final position shows that the council has added £168,000 to general fund balances.

	£'000
General Fund Balances: Brought forward at 1 April 2011	1,449
Taken to fund deficit on 2011/12 income and expenditure account	168
General Fund Balances: Carried forward at 31 March 2012	1,617

Earmarked Reserves

- 3.11 Whilst there has been an addition to general fund balances in the year, there has also been a net increase in the level of earmarked reserves
- 3.12 Unlike the general fund balance, the council's Earmarked General fund Reserves have been set aside for a specific purpose. The Council has a variety of earmarked reserves and the specific details of each one can be seen at Annex 1.
- 3.13 The table below provides a high level summary of the movement in the Council's Earmarked General Fund Reserves.

	2011/2012
	£
Opening Earmarked General Fund Reserves	3,505,789
Amounts added to Earmarked General Fund Reserves	1,326,569
Amounts taken from Earmarked General Fund Reserves	-658,959
Closing Earmarked General Fund Reserves	4,173,399

Collection Fund

3.14 The Collection Fund has made an in year surplus of £116,000. This is added to the deficit of £281,000 brought forward from 2010/11. The £116,000 in year deficit will have to be recovered from precepting authorities in 2013/14, with the deficit brought forward of £281,000 being recovered in 2012/13. These amounts will be recovered pro-rata to the original precepts from each authority.

4 CONCLUSION

4.1 The final outturn of a surplus of £168,000 means that we have added £168,000 to the council's general fund balances instead of taking £26,000 which was estimated when we prepared the Revised Estimates.

4.2 With the ongoing uncertainty surrounding funding from the Government the ongoing restraint in service spending has been prudent. Whilst this has resulted in a number of underspends within year, a proportion of this has been earmarked in reserves to meet future spending commitments particularly in areas of planning, housing benefit service changes and information technology.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF48 -12/LO/AC
27 July 2012

BACKGROUND PAPERS:

For further information please ask for Lawson Oddie extension 4541

Earmarked Reserves – 2011/12

General Fund	Balance at 31 March 2010	Transfers In 2010/11	Transfers Out 2010/11	Balance at 31 March 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance at 31 March 2012
	£	£	£	£	£	£	£
Local Recreation Grants Fund <i>Used to fund recreation grants</i>	14,039	2,792		16,831	6,820		23,651
Elections Fund <i>Used to fund borough elections held once every four years</i>	68,173	4,290	-8,912	63,551	19,870	-63,869	19,552
Audit Reserve Fund <i>Used for computer audit</i>	12,335			12,335			12,335
Building Control Fund <i>Available to equalise net expenditure over a three year period</i>	37,376		-90,650	-53,274		-33,036	-86,310
Rural Development Reserve <i>Used to fund consultation work on rural housing</i>	1,631			1,631			1,631
Single Status <i>Set aside to contribute towards future costs arising from single status/job evaluation</i>	47,095		-47,095	0			0
Capital <i>Used to fund the capital programme</i>	742,552	160,000	-847,887	54,665	282,279	-12,848	324,096
Insurance <i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	20,000			20,000			20,000
Christmas Lights/RV in Bloom <i>Available to fund contributions towards Christmas Lights and Ribble Valley in Bloom</i>	669	2,747		3,416		-150	3,266
Community Enhancement <i>Used to fund grants to local organisations</i>	2,881			2,881			2,881
New Community Enhancement Schemes <i>Additional reserve for funding grants to local organisations</i>	6,809			6,809			6,809
Rent Deposit Reserve <i>Set aside for homeless rent deposits</i>	7,837			7,837			7,837
Revenue Contributions (RCCO) Unapplied <i>Used to fund capital expenditure</i>	23,134			23,134		-12,529	10,605
Longridge Schemes <i>Used to fund grants to schemes in Longridge</i>	5,000		-5,000	0			0
Parish Schemes <i>Used to fund Parish improvement schemes</i>	1,729			1,729			1,729

Earmarked Reserves – 2011/12

General Fund	Balance at 31 March 2010	Transfers In 2010/11	Transfers Out 2010/11	Balance at 31 March 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance at 31 March 2012
	£	£	£	£	£	£	£
Local Development Framework <i>To finance Local Development Framework costs</i>	11,583			11,583		-7,754	3,829
LALPAC Licensing System <i>To fund costs of LALPAC licensing system</i>	1,866			1,866		-442	1,424
Homelessness Unit Adaptations <i>To fund work to make two flats at the homelessness unit self contained</i>	3,000		-3,000	0			0
IT Equipment <i>To fund future software and hardware upgrades</i>	1,345		-1,345	0	90,540		90,540
Conservation Reserve <i>To fund conservation schemes completed after the financial year end</i>	6,210			6,210			6,210
Civic Regalia <i>To fund refurbishment of mayoral chains</i>	4,500		-4,500	0			0
Concurrent Functions <i>To fund concurrent grant payments payable to parish and town councils</i>	15,960		-15,960	0			0
Concessionary Travel <i>To fund the transfer of the administration of the scheme to upper tier local authorities</i>	40,026			40,026			40,026
Countryside Management <i>To fund tree survey work</i>	4,566		-4,566	0			0
Fleming VAT Claim <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	182,005	57,921		239,926			239,926
Government Connect <i>To fund revenue costs of Government Connect Service</i>	9,028		-3,789	5,239		-5,239	0
Repairs and Maintenance <i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>	12,299	21,000		33,299			33,299
Post LSVT <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	438,150			438,150			438,150
Market Town Enhancement <i>To fund grants under Market Towns Enhancement Scheme</i>	6,643			6,643			6,643

Earmarked Reserves – 2011/12

General Fund	Balance at 31 March 2010	Transfers In 2010/11	Transfers Out 2010/11	Balance at 31 March 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance at 31 March 2012
	£	£	£	£	£	£	£
<u>Planning Delivery</u> <i>To fund improved delivery of housing and other planning outcomes</i>	203,832	-78,716	7,730	132,846	13,200	-146,046	0
<u>Performance Reward Grant</u> <i>Performance Reward Grant received and yet to be distributed to successful schemes</i>	478,384	169,062	-120,736	526,710		-98,662	428,048
<u>Refuse Collection</u> <i>To fund refuse collection costs of bin replacements</i>	1,800	18,000	-1,800	18,000			18,000
<u>Restructuring Reserve</u> <i>To fund costs resulting from the restructure review</i>	200,000	75,000		275,000	27,900	-75,359	227,541
<u>VAT Shelter Reserve</u> <i>Funds received from the post LSVT VAT Shelter arrangements, partly used to contribute towards the future financing of the capital programme</i>	675,420	472,122	-100,000	1,047,542	445,230	-65,548	1,427,224
<u>Revaluation of Assets Reserve</u> <i>To contribute towards the revaluation of the Council's assets every five years.</i>	0	2,000		2,000	2,000		4,000
<u>Clean Air Reserve</u> <i>To fund clean air survey work</i>	0	4,500		4,500		-379	4,121
<u>Estates Maintenance Reserve</u> <i>To fund approved one-off boundary maintenance work to Estates asset</i>	0	2,500		2,500		-2,500	0
<u>Equipment Reserve</u> <i>To fund essential and urgent equipment requirements</i>	0	31,000		31,000	2,000		33,000
<u>Forest of Bowland Reserve</u> <i>To fund access improvement schemes within the Ribble Valley section of the Forest of Bowland</i>	0	27,146		27,146	7,500		34,646
<u>Invest to Save Fund</u> <i>To fund future invest to save projects</i>	0	250,000		250,000	21,917	-7,619	264,298
<u>Land Charges Reserve</u> <i>To fund any potential restitution claims for personal search fees</i>	0	34,356		34,356			34,356
<u>Land Charges System Reserve</u> <i>To fund planned land charges system purchase</i>	0	9,000		9,000		-9,000	0

Earmarked Reserves – 2011/12

General Fund	Balance at 31 March 2010	Transfers In 2010/11	Transfers Out 2010/11	Balance at 31 March 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance at 31 March 2012
	£	£	£	£	£	£	£
<u>Pendle Hill User Reserve</u> <i>To fund improvement schemes on Pendle Hill</i>	0	17,830		17,830	7,941	-8,000	17,771
<u>Planning Reserve</u> <i>To fund any future potential planning issues</i>	0	100,000		100,000	153,167	-103,167	150,000
<u>Tourism Promotions Reserve</u> <i>To fund planned tourism publicity and promotions</i>	0	6,812		6,812	1,950	-6,812	1,950
<u>Crime Reduction Partnership Reserve</u> <i>To fund cost of crime reduction initiatives</i>	0	16,060		16,060	10,429		26,489
<u>Housing Benefit Reserve</u> <i>To help meet the challenges facing the service in the coming years</i>	0	60,000		60,000	40,000		100,000
<u>Wellbeing and Health Equality</u> <i>To fund expenditure on Wellbeing and Health</i>	0			0	47,428		47,428
<u>Exercise Referral Reserve</u> <i>To fund potential residual staffing costs</i>	0			0	5,310		5,310
<u>Clitheroe Cemetery Reserve</u> <i>To finance any future liabilities from the cemetery extension</i>	0			0	3,640		3,640
<u>New Homes Bonus Reserve</u> <i>To help finance future economic development capital schemes</i>	0			0	2,046		2,046
<u>Core Strategy Reserve</u> <i>To fund the production of the Core Strategy</i>	0			0	87,412		87,412
<u>Emergency Planning Reserve</u> <i>To fund the production of District Emergency and Business Continuity Plans</i>	0			0	2,520		2,520
<u>CCTV Reserve</u> <i>To fund purchase of additional CCTV Equipment</i>	0			0	1,000		1,000
<u>Warm Homes Healthy People Reserve</u> <i>Residual grant received, to be committed to future grant schemes</i>	0			0	44,470		44,470
	3,287,877	1,465,422	-1,247,510	3,505,789	1,326,569	-658,959	4,173,399

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 16

meeting date: 7 AUGUST 2012
 title: REVENUE MONITORING 2012/13
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the position for the first three months of this year's revenue budget as far as this committee is concerned.

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 need and meets the objective within this priority, of maintain critical financial management controls, ensuring the authority provides council tax payers with value for money.
- ❖ Other Considerations – none identified.

2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period. You will see an overall under spend of £94,988 on the net expenditure, after allowing for estimated transfers to and from balances and reserves. Please note that underspends are denoted by figures with a minus symbol.

Cost Centre	Cost Centre Name	Net Budget for the full year £	Net Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	
ALBNM	Albion Mill	-2,770	6,288	11,749	5,461	R
INDDV	Economic development	80,580	1,968	927	-1,041	G
COMPR	Computer Services	0	133,142	140,165	7,023	R
LICSE	Licensing	35,070	-10,457	-14,095	-3,638	A
LANDC	Land Charges	29,510	-18,409	-17,909	500	G
FGSUB	Grants & Subscriptions – Policy & Finance	153,950	59,911	59,037	-874	G
CEXEC	Chief Executives Department	0	260,143	265,371	5,228	R
CLTAX	Council Tax	321,170	10,752	-75,135	-85,887	R
NNDRC	National Non Domestic Rates	31,290	286	744	458	G
CORPM	Corporate Management	298,040	0	0	0	G
EMERG	Community Safety	60,000	2,184	640	-1,544	G
BYELE	District-By-Election	0	0	0	0	G
DISTC	District Elections	11,540	0	0	0	G

Cost Centre	Cost Centre Name	Net Budget for the full year £	Net Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	
ELECT	Register of Electors	69,910	11,310	12,856	1,546	G
EUROP	European Elections	0	0	0	0	G
LANCS	Lancashire County Elections	0	0	0	0	G
PARIS	Parish Elections	0	0	0	0	G
PARLI	Parliamentary Elections	10	0	0	0	G
POLIC	Police Elections	20,870	0	469	469	G
ESTAT	Estates	7,420	-3,165	-7,138	-3,973	A
ATTEN	Mayor's Attendant/ Keeper	0	3,539	3,957	418	G
CIVCF	Civic Functions	57,050	14,984	15,532	548	G
COSDM	Cost of Democracy	424,530	54,287	53,336	-951	G
MAYCR	Mayoral Transport	0	602	336	-266	G
FSERV	Financial Services	0	159,219	153,566	-5,653	R
VARIOUS	Meals on Wheels and Luncheon Clubs	19,860	15,440	13,067	-2,373	A
CIVST	Civic Suite	0	15,841	13,944	-1,897	G
CLOFF	Council Offices	0	90,376	91,590	1,214	G
FMISC	Policy & Finance Miscellaneous	153,170	2,275	-227	-2,502	A
PERFM	Performance Reward Grants	37,000	5,004	5,000	-4	G
SUPDF	Superannuation Deficiency Payments	125,080	1,487	1,486	-1	G
LSERV	Legal Services	0	89,653	86,654	-2,999	A
OMDEV	Organisation & Member Development	0	98,103	94,367	-3,736	A
CSERV	Corporate Services	185,850	7,687	7,413	-274	G
CONTC	Contact Centre	126,250	18,085	17,615	-470	G
REVUE	Revenues & Benefits	0	124,828	125,054	226	G
Total net cost of services		2,245,380	1,155,363	1,060,371	-94,992	

Items added to / (taken from) balances and reserves					
FNBAL H230	Election Reserve Fund	20,370	0	0	0
FNBAL H269	Asset Revaluation Reserve	2,000	0	0	0
FNBAL H326	Performance Reward Grant	-37,000	-5,004	-5,000	4
CPBAL H330	Revenue Contribution to Capital	8,270	0	0	0
Net Balances and reserves		-6,360	-5,004	-5,000	4

Net Expenditure	2,239,020	1,150,359	1,055,371	-94,988
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2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are potential areas of high concern and green variances are areas that currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

2.3 We have then extracted the main variations for the items included in the red shaded cost centres and shown them with the budget holder's comments and agreed action plans, in Annex 1.

2.4 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.

2.5 In summary the main areas of variance which are unlikely to rectify themselves by the end of the financial year are summarised below. Please note favourable variances are denoted by figures with a minus symbol.

Description	Variance to end of June 2012 £
ALBNM – Albion Mill – reduced income from rents due to units 2 and 3 being vacant in the period, partly to be offset by rent owing on unit 1	5,033

3 CONCLUSION

3.1 The comparison between actual and budgeted expenditure shows an under spend of £94,988 for the first three months of the financial year 2012/13, however there are some large fluctuations that make up this net figure.

3.2 An initial payment has been received from the Department of Communities and Local Government of £84,000 to assist billing authorities with the costs of designing schemes regarding localisation of council tax support. This accounts for a large proportion of the underspend and will be offset by future expenditure.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF43-12/TH/AC
11 July 2012

BACKGROUND WORKING PAPERS
Policy & Finance budget monitoring working papers

POLICY & FINANCE COMMITTEE

RED VARIANCES

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ALBNM/8805I	Albion Mill / Land Rents	-33,100	-8,275	-3,242	5,033	R	Unit 2 vacant until end of April, Unit 3 vacant until mid June and rent owing on unit 1.	Legal pursuing arrears.
CLTAX/8022z	Council Tax / DCLG - Council tax initial new burden grant	0	0	-84,000	-84,000	R	Initial payment of a new burden grant to assist billing authorities with the costs of designing schemes regarding localisation of council tax support.	Budgets to be introduced at revised estimate, together with related expenditure budgets
COMPR/2809	Computer Services / Non recurring purchases of equipment	0	0	8,395	8,395	R	Upgrade to server. Monies were set aside last financial year to meet this commitment	Additional memory for Northgate System, mandatory update. Cost will be met from earmarked reserve.

POLICY & FINANCE COMMITTEE

AMBER VARIANCES

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £		Reason for Variance
ESTAT/8832u	Estates / Ground Rents General	-960	-173	-3,440	-3,267	A	Freeholds sales to the value of £3k
CLOFF/2402	Council Offices / Repair & Maintenance - Buildings	34,900	7,459	10,522	3,063	A	Commitment for supply and installation of cavity wall insulation to the Council offices.
FMISC/8591z	Policy & Finance Miscellaneous / Vat Shelter Reimbursement	0	0	-2,807	-2,807	A	Additional VAT shelter monies for 2011/12 received from Symphony Housing Group after closure of accounts
LICSE/8437u	Licensing / Premises Licenses	-56,620	-4,491	-8,078	-3,587	A	Above average licence fees received in first 3 months
OMDEV/1023	Organisation & Member Development / Corporate Training	13,830	3,459	1,052	-2,407	A	Waiting for identified training needs to come through from the appraisals following which an assessment of any corporate requirements will be made.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 17

meeting date: 7 AUGUST 2012
 title: OVERALL REVENUE MONITORING 2012/13
 submitted by: DIRECTOR OF RESOURCES
 principal author: JANE PEARSON

1 PURPOSE

1.1 To consider the position on the revenue budget for the current financial year.

2 ORIGINAL BUDGET 2012/13

2.1 The original budget agreed for the current year is set out below.

	Original Estimate 2012/13 £
Committee Net Requirements	6,753,360
Capital Charges Adjustment	-539,870
Committee Expenditure After Adjustments	6,213,490
Other Items - Interest Payable	19,730
- Interest on balances	-30,000
- New Homes Bonus	-167,240
- Council Tax Freeze Grant	-78,910
- Contingency	75,000
Expenditure After Other Items	6,032,070
Less Added to/(taken from) Earmarked Reserves	
Elections	20,370
Community Safety	-14,260
Building Control Fee Earning	-1,080
Wellbeing and Health Equality	-12,420
Performance Reward Grant	-37,000
Revaluation Reserve	2,000
Contribution to Capital Reserve	115,510
Post LSVT Pensions Reserve	-36,175
Taken From Revenue Balances	-20,733
Net Expenditure	6,048,282

3 COMMENTS

3.1 Accountants will not begin preparing the revised estimates for the current financial year until the autumn. However, regular monitoring reports are prepared for budget holders and CMT. In addition committees are currently receiving monitoring reports up to the end of June 2012 in the current cycle.

3.2 Looking at three of the largest elements within our budget - employee costs, fees and charges and interest. The position at the end of June on these was as follows:

3.3 **Employees**

Position at end of June:

£000	
Budget	1,452
Actual	1,444
Difference	-8

Annex 1 shows the main variances by individual cost centre. However, the reasons for the larger variances are summarised below:

- CEXEC Chief Executives Department – *within the departmental budget is an allowance for savings from staff turnover. To date these savings have not materialised and are dependent on vacancies arising*
- RCOLL Refuse Collection – *a lower level of overtime has been worked and paid for over the period April and May. Additionally some staff costs have been charged to covering for staff sickness at the Transfer Station*
- TFRST Waste Transfer Station – *Additional costs incurred due to cover for extended sickness. This is particularly the cost of staff cover from the Refuse Collection Service.*
- WKSAD Works Administration – *There has been further reduced hours for staff on public conveniences and also a reduction in overtime working.*

3.4 **Fees and Charges**

Position at end of June:

£000	
Budget	-626
Actual	-662
Difference	-36

Again, Annex 2 shows the **main** differences and the reasons for the larger variances are summarised below:

- BLDGC Building Control – *There has been a reduced level of income from applications*
- PLANG Planning Control and Enforcement – *There have been a number of major applications received, namely Hey Road, Barrow and Primrose Mill, Clitheroe. An upward trend is also anticipated for the next quarter.*
- RPOOL Ribblesdale Pool – *There has been an increase in swimming course income, contracts and junior admissions. Income from school swimming lessons has also increased slightly.*
- TRREF Trade Refuse – *There has been additional income from the emptying of wheeled bins, which is slightly offset by a reduction in income from the disposal of trade waste using plastic sacks.*
- CPADM Car Parking – *Most car parks are showing a fall in income. The weather during April to June was poor and it is felt that this is likely to be the main reason for the fall in income, particularly at Edisford and Ribchester.*

3.5 Interest

Position at end of June:

	£000
Budget	8
Actual	6
Difference	2

At this stage it is difficult to predict how our final interest figure will be in comparison to our budget for the year.

4 SUMMARY

4.1 In summary, the position is as follows:

	£ 000
Employees	-8
Income	-36
Interest	2
Total Net Savings/Underspend/Extra Income	-42

5 CONCLUSION

5.1 Overall, the variances to the end of the first quarter are favourable, with a net saving/additional income of £42,000.

5.2 The main reason for the variance is the additional income from planning fees that have been received, particularly in respect of Hey Road, Barrow and Primrose Mill, Clitheroe.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF50-12/LO/AC
30 July 2012

BACKGROUND PAPERS: None

For further information please ask for Lawson Oddie, extension 4541

Employee Related Expenditure – April to June 2012

Cost Centre	Cost Centre Name	Original Estimate to end June 2012	Actual to end June 2012	Variance
ARTDV	Art Development	1,970	2,600	630
ATTEN	Mayor's Attendant/Keeper	3,446	3,920	474
BCSAP	Building Control SAP Fees	21	16	-5
CEXEC	Chief Executives Department	236,315	241,244	4,929
CIVST	Civic Suite	2,639	2,421	-218
CLCEM	Clitheroe Cemetery	0	9	9
CLMKT	Clitheroe Market	461	1,927	1,466
CLOFF	Council Offices	9,704	9,150	-554
COMMD	Community Services Department	283,552	287,463	3,911
COMPR	Computer Services	36,371	36,714	343
CONTC	Contact Centre	17,730	15,699	-2,031
CORES	Core Strategy	773	678	-95
COSDM	Cost of Democracy	1,758	1,508	-250
CPADM	Car Park Administration - Off Street	11,800	11,352	-448
CSERV	Corporate services	0	19	19
DNHAM	Downham Toilets	60	60	0
ELECT	Register of Electors	182	0	-182
EXREF	Exercise Referral Scheme	25,333	21,953	-3,380
FSERV	Financial Services	136,428	133,384	-3,044
LSERV	Legal Services	69,601	71,298	1,697
OMDEV	Organisation & Member Development	79,766	81,174	1,408
PCADM	Public Conveniences Administration	0	44	44
PKADM	Grounds Maintenance	53,157	52,896	-261
PLATG	Platform Gallery	20,830	20,463	-367
RCOLL	Refuse Collection	159,197	154,902	-4,295
REVUE	Revenues & Benefits	117,676	119,582	1,906
RPOOL	Ribblesdale Pool	76,278	72,994	-3,284
SDEPO	Salthill Depot	5,287	4,597	-690
SPODV	Sports Development	6,676	6,697	21
STCLE	Street Cleansing	35,210	34,681	-529
SUPDF	Superannuation Deficiency Payments	1,487	1,486	-1
TFRST	Waste Transfer Station	5,764	10,054	4,290
VEHCL	Vehicle Workshop	14,976	15,061	85
WKSAD	Works Administration	37,319	28,168	-9,151
		1,451,767	1,444,213	-7,554

Fees and Charges – April to June 2012

Cost Centre	Cost Centre Name	Original Estimate to end June 2012	Actual to end June 2012	Variance
ARTDV	Art Development	0	-25	-25
BCSAP	Building Control SAP Fees	-1,299	-1,170	129
BLDGC	Building Control	-56,260	-45,050	11,210
CIVST	Civic Suite	-107	-779	-672
CLCEM	Clitheroe Cemetery	-8,747	-8,232	515
CLMKT	Clitheroe Market	-97,825	-100,230	-2,405
COMMD	Community Services Department	-102	-148	-46
DOGWD	Dog Warden & Pest Control	-3,511	-4,965	-1,454
DRAIN	Private Drains	-342	-300	42
EALLW	Edisford All Weather Pitch	-5,010	-4,312	698
EDPIC	Edisford Picnic Area	-185	-208	-23
ENVHT	Environmental Health Services	-13,164	-10,768	2,396
EXREF	Exercise Referral Scheme	-794	-665	129
FMISC	Policy & Finance Miscellaneous	-105	-31	74
FSERV	Financial Services	-288	-252	36
IMPGR	Improvement Grants	-2,004	-716	1,288
LANDC	Land Charges	-19,063	-17,405	1,658
LICSE	Licensing	-16,431	-19,889	-3,458
LSERV	Legal Services	0	-281	-281
MCAFE	Museum Cafe	-964	-1,000	-36
OMDEV	Organisation & Member Development	-108	-151	-43
PLANG	Planning Control & Enforcement	-98,279	-132,233	-33,954
PLATG	Platform Gallery	0	16	16
RCOLL	Refuse Collection	-5,169	-4,862	307
RIGHT	Public Rights of Way	0	-2,420	-2,420
RPOOL	Ribblesdale Pool	-100,442	-110,692	-10,250
RVPRK	Ribble Valley Parks	-2,887	-4,237	-1,350
SPODV	Sports Development	-54	-191	-137
TRREF	Trade Refuse	-107,252	-113,675	-6,423
VARIOUS	Car Parking	-83,136	-75,730	7,406
VARIOUS	Meals on Wheels	-2,638	-1,546	1,092
		-626,166	-662,147	-35,981

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

INFORMATION

Agenda Item No 18

meeting date: 7 AUGUST 2012
title: TREASURY MANAGEMENT MONITORING 2012/13
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To provide you with a monitoring report on our treasury management activities for period 1 April 2012 to 30 June 2012

1.2 Relevance to the Council's ambitions and priorities:

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

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

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

2 BACKGROUND

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

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

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

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

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

The main points being:

- (i) The Council maintains a list of organisations it will lend its surplus funds to that is regularly reviewed. The current list is shown in section 7 of this report.
- (ii) The Council has maximum limits for each institution of £1.5m with the exception of the Debt Management Office (DMO), where the Government guarantees investments. Our limit with the DMO is currently £5m.

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

3 INFORMATION

- 3.1 Nationally, bank base interest rates have remained static at 0.5% in the period.
- 3.2 This low interest rate has had no immediate effect on the interest payable on the Council's long-term loan debt from Public Works Loan Board (PWLB), which is all at fixed interest rates. However, it has resulted in a continued low level of income from our temporary investments.
- 3.3 As part of the Comprehensive Spending Review on 20 October 2010, the interest rate on PWLB loans was raised from 0.2 percent to 1 percent above UK Government gilts.
- 3.4 In the Chancellor's Budget on March 21 a reduction in the PWLB interest rate was revealed. The reduction was to be applicable for those councils that provide 'improved information and transparency' on 'borrowing and associated capital spending plans'. The rate would then be reduced by 20 basis points from the current rate of 1% above central government's own borrowing to 0.8% above gilts from 2012/13. The government has also raised the prospect of those council's deemed to be the most efficient being given access to even lower borrowing rates, however the details of these proposals are not yet known.
- 3.5 There is no immediate effect on this council from the above announcements, as all of our PWLB loans re on a fixed rate. However, this will impact on future decisions that the Council may make to borrow from the PWLB

4 BORROWING REQUIREMENTS

- 4.1 The movement on the Council's external can be summarised as follows.

	PWLB £000	Other £000	Total £000
External Debt at 1 April 2012	436	7	443
Transactions - New Loans	0	1,100	1,100
- Repayments	0	-1,100	-1,100
External debt at 30 June 2012	436	7	443

- 4.2 Early in this financial year the following temporary loan was taken out. This was due to a shortfall in cash balances between paying precepts to Lancashire County Council, Police and Fire Authorities and receiving council tax and NNDR direct debit income. No further temporary loans have been required since, although cash balances remain low.

Date Loan Taken	Investor	Amount £'000	Rate %	Date Repaid
23 April 2012	Basildon Council	1,100	0.30	30 April 2012

4.3 The total interest paid on the Council's external debt during the period in respect of the above temporary loan was £63.

5 INVESTMENTS

5.1 In accordance with the treasury management policy, surplus funds are temporarily invested via the money market at the best rate of interest available with the minimisation of risk to the capital sum.

5.2 The average interest we received on all external investments for the period 1 April 2012 to 30 June 2012 was 0.38%, which was slightly above the average local authority seven-day notice deposit rate of 0.30%.

5.3 The movement in the Council's external investments are shown in Annex 1 and can be summarised as follows:

	Banks/ Building Societies £000	Other Local Authorities £000	Total £000
Monies Invested at 1 April 2012	1,900	0	1,900
Transactions - New Investments	17,800	0	17,800
- Repayment of Investments	-16,130	-0	-16,130
Monies Invested as at 30 June 2012	3,570	0	3,570

5.4 The following investments were held as at 30 June 2012.

Date Invested	Nos	Borrower	Notice	Rate %	£'000	£'000
31 May 2012	53	Bank of Scotland	Fixed 05/07	0.590	1,000	
15 June 2012	64	Bank of Scotland	Fixed 05/07	0.340	450	
						1,450
6 June 2012	57	Barclays Bank Plc	Fixed 05/07	0.511	300	
25 June 2012	60	Barclays Bank Plc	Fixed 04/07	0.418	250	
15 June 2012	63	Barclays Bank Plc	Fixed 05/07	0.448	400	
27 June 2012	71	Barclays Bank Plc	Fixed 05/07	0.414	550	
						1,500
19 June 2012	66	HSBC	Fixed 04/07	0.310	150	
25 June 2012	69	HSBC	Fixed 05/07	0.310	150	
27 June 2012	72	HSBC	Fixed 05/07	0.310	250	
28 June 2012	73	HSBC	Fixed 02/07	0.310	70	
						620
Total Investments as at 30 June 2012						3,570

5.5 The total interest received on the Council's external investments during the period was £2,785 compared with £1,355 in the previous year.

6 PRUDENTIAL INDICATORS

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

6.2 It was fully revised in 2009 to take account of the implications of the implementation of the International Financial Reporting Standard (IFRS) and has since been updated following regulatory changes resulting from the Localism Bill (2011).

6.3 In accordance with this Code the Council agreed to monitor four prudential indicators as follows. This committee approved these in March 2012.

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

6.4 The limits set on interest rate exposures for 2012/13 were as follows:

	Upper Limit £000	Current Actual £000
Maximum Principal Sums Borrowed >364 days	5,900	443
Limits on Fixed Interest Rates	5,900	1,543
Limits on Variable Interest Rates	1,180	0

6.5 The upper and lower limits for the maturity structure of its borrowings for 2012/13 were as follows:

	Upper Limit %	Lower Limit %	Current Actual %
Under 12 months	20	0	16.04
12 Months and Within 24 Months	20	0	16.04
24 Months and Within 5 Years	40	0	27.97
5 Years and Within 10 Years	30	0	14.54
10 Years and Above	90	0	25.42

6.6 The total principal funds invested for a period longer than 364 days was set at nil. No investments have been made in the 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, are defined in Annex 2. They only show an indication of the current credit position. They are being monitored on a regular basis and any significant changes will be reported to this committee.

7.2 In addition, we monitor and consider the ratings given by rating agents Standard and Poor, and Moody's together with the Fitch ratings prior to investing any monies on a day-to-day basis. The full list of ratings for our approved institutions are shown at Annex 3, and is a snapshot as at 24 July 2012.

7.3 It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets, excluding West Bromwich Building Society, these are:

Name	Current Ranking Jul'12	Previous Ranking Nov'11	Fitch Rating			
			Long Term	Full Transaction Review Date	Short Term	Full Transaction Review Date
Nationwide	1	1	A +	03.11.11	F1	03.11.11
Yorkshire*	2	2	BBB +	03.11.11	F2	03.11.11
Coventry	3	3	A	03.11.11	F1	03.11.11
Skipton	4	4	BBB	03.11.11	F3	03.11.11
Leeds	5	5	A -	03.11.11	F2	03.11.11
West Bromwich *	6	6	Withdrawn from rating process			
Principality	7	7	BBB +	03.11.11	F2	03.11.11
Newcastle	8	8	BB +	02.11.11	B	02.11.11

* Norwich & Peterborough Building Society merged with Yorkshire Building Society on 1 November 2011

* West Bromwich has chosen to stop participating in Fitch rating process

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

Name	Fitch Rating			
	Long Term	Full Transaction Review Date	Short Term	Full Transaction Review Date
Santander UK PLC *	A	11.06.12	F1	11.06.12
Barclays Bank PLC	A	15.12.11	F1	15.12.11
Bank of Scotland PLC	A	13.12.11	F1	13.12.11
Bradford & Bingley Bank PLC	A	08.12.11	F1	08.12.11
Co-operative Bank (The)	A -	16.12.11	F2	16.12.11
HSBC Bank PLC	AA	01.03.12	F1+	01.03.12
Lloyds TSB Bank PLC	A	19.03.12	F1	19.03.12

Name	Fitch Rating			
	Long Term	Full Transaction Review Date	Short Term	Full Transaction Review Date
National Westminster Bank PLC	A	19.03.12	F1	19.03.12
Northern Rock (Asset Management) PLC	A	08.12.11	F1	08.12.11
Royal Bank of Scotland PLC (The) *	A	19.03.12	F1	19.03.12

* Downgraded since last reported

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

8 RECENT EVENTS

8.1 The past few months have seen Moody's downgrade a number of UK banks, namely Royal Bank of Scotland, Barclays, HSBC and Lloyds due to significant exposure to the volatility in the world's financial markets. However, this has been widely expected since Moody's first announced the start of its review in February.

8.2 Banking activities have also continued to be reported in the press, together with rating agency downgrades and therefore it has been imperative that we continue to protect the council's principal sums invested in order to minimize its exposure to risk.

8.3 To ensure our exposure is limited as far as possible, we have continued with the following measures:

- (i) 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
- (ii) Authorisation prior to investments with either the Director of Resources or the Head of Financial Services
- (iii) Keep Leader/Chief Executive informed
- (iv) Look to arrange new secure options for investments

9 CONCLUSION

9.1 It is essential to minimise the risk to the principal sums that are invested. Through the careful investment of sums in line with the council's strategy the level of risk in our investments has been kept to a minimum.

- 9.2 With interest rates remaining at low levels, the amount of income received from investing surplus cash balances continues to be low, although marginally higher than those attained for the same period in the 2011/12 financial year.
- 9.3 Due to the continued movement in judgements made by rating agents, and the continued uncertainty in the eurozone, 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

PF41-12/TH/AC
25 July 2012

BACKGROUND WORKING PAPERS:

Loans Fund Working Papers
Treasury Management Strategy 2012-2013
Treasury Management Policies & Practices 2012
Fitch, Moody's and Standard & Poor Ratings
Building Societies Association – sector information

For further information please ask for Trudy Holderness, extension 4436

POLICY AND FINANCE COMMITTEE
TEMPORARY INVESTMENT ACTIVITY - 2012/13

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings at Time of Investment	
								Long-Term	Short-Term
INVESTMENTS BROUGHT FORWARD @ 1 APRIL 2012									
15-Mar-12	276	Debt Management Office	500,000	0.250	12-Apr-12	-500,000	-95.89	AAA	-
					Debtor		58.22		
19-Mar-12	280	HSBC	100,000	0.310	02-Apr-12	-100,000	-11.89	AA	F1+
					Debtor		11.04		
26-Mar-12	283	Debt Management Office	350,000	0.250	13-Apr-12	-350,000	-43.15	AAA	-
					Debtor		14.38		
26-Mar-12	285	HSBC	50,000	0.310	05-Apr-12	-50,000	-4.25	AA	F1+
					Debtor		2.55		
26-Mar-12	286	HSBC	100,000	0.310	10-Apr-12	-100,000	-12.74	AA	F1+
					Debtor		5.10		
30-Mar-12	290	Debt Management Office	550,000	0.250	19-Apr-12	-550,000	-75.34	AAA	-
					Debtor		7.53		
30-Mar-12	291	HSBC	250,000	0.310	04-Apr-12	-250,000	-10.62	AA	F1+
					Debtor		4.25		
Monies invested at 1 April 2012			1,900,000			-1,900,000	-150.81		

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings at Time of Investment	
								Long-Term	Short-Term
NEW INVESTMENTS - 2012/13									
Apr									
02-Apr-12	1	HSBC	150,000	0.310	4-Apr-12	-150,000	-2.55	AA	F1+
03-Apr-12	2	HSBC	175,000	0.310	4-Apr-12	-175,000	-1.49	AA	F1+
04-Apr-12	3	Barclays Bank	450,000	0.447	23-Apr-12	-450,000	-104.71	A	F1
04-Apr-12	4	HSBC	50,000	0.310	10-Apr-12	-50,000	-2.55	AA	F1+
05-Apr-12	5	HSBC	350,000	0.310	10-Apr-12	-350,000	-14.86	AA	F1+
10-Apr-12	6	Santander UK Plc	500,000	0.600	23-Apr-12	-500,000	-105.48	A+	F1
11-Apr-12	7	HSBC	60,000	0.310	12-Apr-12	-60,000	-0.51	AA	F1+
12-Apr-12	8	DMO	345,000	0.250	23-Apr-12	-345,000	-25.99	AAA	-
13-Apr-12	9	HSBC	120,000	0.310	16-Apr-12	-120,000	-3.06	AA	F1+
16-Apr-12	10	Barclays Bank	550,000	0.447	23-Apr-12	-550,000	-40.09	A	F1
16-Apr-12	11	HSBC	150,000	0.310	17-Apr-12	-150,000	-1.27	AA	F1+
17-Apr-12	12	HSBC	50,000	0.310	18-Apr-12	-50,000	-0.42	AA	F1+
17-Apr-12	13	HSBC	200,000	0.310	23-Apr-12	-200,000	-10.19	AA	F1+
18-Apr-12	14	HSBC	100,000	0.310	19-Apr-12	-100,000	-0.85	AA	F1+
19-Apr-12	15	HSBC	200,000	0.310	20-Apr-12	-200,000	-1.70	AA	F1+
19-Apr-12	16	HSBC	200,000	0.310	23-Apr-12	-200,000	-6.79	AA	F1+
20-Apr-12	17	HSBC	300,000	0.310	23-Apr-12	-300,000	-7.64	AA	F1+
23-Apr-12	18	HSBC	80,000	0.310	24-Apr-12	-80,000	-0.68	AA	F1+
24-Apr-12	19	HSBC	145,000	0.310	25-Apr-12	-145,000	-1.23	AA	F1+
25-Apr-12	20	HSBC	50,000	0.310	26-Apr-12	-50,000	-0.42	AA	F1+
25-Apr-12	21	HSBC	130,000	0.310	30-Apr-12	-130,000	-5.52	AA	F1+
26-Apr-12	22	HSBC	50,000	0.310	27-Apr-12	-50,000	-0.42	AA	F1+
26-Apr-12	23	HSBC	70,000	0.310	30-Apr-12	-70,000	-2.38	AA	F1+
30-Apr-12	24	Barclays Bank Plc	600,000	0.379	22-May-12	-600,000	-137.06	A	F1
30-Apr-12	25	Nationwide	1,000,000	0.510	29-May-12	-1,000,000	-405.21	A+	F1
30-Apr-12	26	HSBC	500,000	0.310	3-May-12	-500,000	-12.74	AA	F1+
30-Apr-12	27	Santander UK Plc	600,000	0.650	21-May-12	-600,000	-224.38	A+	F1
			7,175,000			-7,175,000	-1,120.19		

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings at Time of Investment	
								Long-Term	Short-Term
May									
01-May-12	28	HSBC	125,000	0.310	02-May-12	-125,000	-1.06	AA	F1+
02-May-12	29	HSBC	140,000	0.310	03-May-12	-140,000	-1.19	AA	F1+
03-May-12	30	HSBC	270,000	0.310	08-May-12	-270,000	-11.47	AA	F1+
04-May-12	31	HSBC	70,000	0.310	08-May-12	-70,000	-2.38	AA	F1+
08-May-12	32	HSBC	250,000	0.310	14-May-12	-250,000	-12.74	AA	F1+
08-May-12	33	HSBC	60,000	0.310	09-May-12	-60,000	-0.51	AA	F1+
09-May-12	34	HSBC	125,000	0.310	14-May-12	-125,000	-5.31	AA	F1+
10-May-12	35	HSBC	50,000	0.310	11-May-12	-50,000	-0.42	AA	F1+
11-May-12	36	HSBC	300,000	0.310	29-May-12	-300,000	-45.86	AA	F1+
14-May-12	37	HSBC	200,000	0.310	21-May-12	-200,000	-11.89	AA	F1+
14-May-12	38	Barclays Bank Plc	200,000	0.441	29-May-12	-200,000	-36.25	A	F1
15-May-12	39	Co-Operative Bank	600,000	0.400	29-May-12	-600,000	-92.05	A-	F2
15-May-12	40	HSBC	150,000	0.310	18-May-12	-150,000	-3.82	AA	F1+
16-May-12	41	HSBC	80,000	0.310	21-May-12	-80,000	-3.40	AA	F1+
17-May-12	42	HSBC	150,000	0.310	21-May-12	-150,000	-5.10	AA	F1+
18-May-12	43	Co-Operative Bank	300,000	0.450	29-May-12	-300,000	-40.68	A-	F2
21-May-12	44	HSBC	200,000	0.310	25-May-12	-200,000	-6.79	AA	F1+
21-May-12	45	HSBC	250,000	0.310	29-May-12	-250,000	-16.99	AA	F1+
22-May-12	46	HSBC	80,000	0.310	23-May-12	-80,000	-0.68	AA	F1+
23-May-12	47	HSBC	125,000	0.310	29-May-12	-125,000	-6.37	AA	F1+
25-May-12	48	HSBC	250,000	0.310	29-May-12	-250,000	-8.49	AA	F1+
28-May-12	49	Barclays Bank Plc	500,000	0.416	07-Jun-12	-500,000	-56.99	A	F1
29-May-12	50	HSBC	135,000	0.310	06-Jun-12	-135,000	-9.17	AA	F1+
30-May-12	51	HSBC	80,000	0.310	06-Jun-12	-80,000	-4.76	AA	F1+
31-May-12	52	Barclays Bank Plc	550,000	0.447	19-Jun-12	-550,000	-127.98	A	F1
31-May-12	53	Bank Of Scotland	1,000,000	0.590	Still Outstanding		-501.10	A	F1
31-May-12	54	HSBC	200,000	0.310	11-Jun-12	-200,000	-18.68	AA	F1+
31-May-12	55	Lloydstsb	700,000	0.240	18-Jun-12	-700,000	-82.85	A	F1
			7,140,000			-6,140,000	-1,114.98		

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings at Time of Investment	
								Long-Term	Short-Term
Jun									
01-Jun-12	56	HSBC	90,000	0.310	06-Jun-12	-90,000	-3.82	AA	F1+
06-Jun-12	57	Barclays Bank Plc	300,000	0.511	Still Outstanding		-105.00	A	F1
07-Jun-12	58	HSBC	100,000	0.310	11-Jun-12	-100,000	-3.40	AA	F1+
08-Jun-12	59	HSBC	60,000	0.310	11-Jun-12	-60,000	-1.53	AA	F1+
11-Jun-12	60	Barclays Bank Plc	Rolled Over	0.440	25-Jun-12		-42.94	A	F1
25-Jun-12	60	Barclays Bank Plc	250,000	0.418	Still Outstanding		-17.18	A	F1
12-Jun-12	61	HSBC	90,000	0.310	13-Jun-12	-90,000	-0.76	AA	F1+
13-Jun-12	62	HSBC	150,000	0.310	22-Jun-12	-150,000	-11.47	AA	F1+
15-Jun-12	63	Barclays Bank Plc	400,000	0.448	Still Outstanding		-78.55	A	F1
15-Jun-12	64	Bank Of Scotland	450,000	0.340	Still Outstanding		-67.07	A	F1
18-Jun-12	65	HSBC	150,000	0.310	19-Jun-12	-150,000	-1.27	AA	F1+
19-Jun-12	66	HSBC	150,000	0.310	Still Outstanding		-15.29	AA	F1+
20-Jun-12	67	HSBC	85,000	0.310	25-Jun-12	-85,000	-3.61	AA	F1+
22-Jun-12	68	HSBC	130,000	0.310	25-Jun-12	-130,000	-3.31	AA	F1+
25-Jun-12	69	HSBC	150,000	0.310	Still Outstanding		-7.64	AA	F1+
26-Jun-12	70	HSBC	60,000	0.310	27-Jun-12	-60,000	-0.51	AA	F1+
27-Jun-12	71	Barclays Bank Plc	550,000	0.414	Still Outstanding		-24.95	A	F1
27-Jun-12	72	HSBC	250,000	0.310	Still Outstanding		-8.49	AA	F1+
28-Jun-12	73	HSBC	70,000	0.310	Still Outstanding		-1.78	AA	F1+
			3,485,000			-915,000	-398.57		
Total Investments made April 2012 to June 2012			17,800,000			-14,230,000	-2,633.74		
Total Investment 2012/13			19,700,000			-16,130,000	-2,784.55		

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

Institution	Standard & Poor			Moody's			Fitch				
	Long Term	Short Term	Outlook	Long Term	Short Term	Outlook	Latest Rating Date	Full Review Date	Long Term	Short Term	Outlook
Building Societies											
Nationwide	A+	A-1	Stable	A2	P-1	Stable	29/03	03/11	A+	F1	Negative
Yorkshire	A-	A-2	Stable	Baa2	P-2	Stable	20/04	03/11	BBB+	F2	Stable
Coventry	-	-	-	A3	P-2	Stable	08/03	03/11	A	F1	Stable
Skipton	-	-	-	Ba1	NP	Negative	08/03	03/11	BBB	F3	Negative
Leeds	-	-	-	A3	P-2	Stable	27/03	03/11	A-	F2	Stable
Principality	-	-	-	Ba1	NP	Stable	08/03	03/11	BBB+	F2	Stable
Newcastle	-	-	-	Rating withdrawn			23/02	02/11	BB+	B	Stable
Banks											
Santander UK PLC	A	A-1	Stable	A2	P-1	Under Review	11/06	11/06	A	F1	Stable
Barclays Bank PLC	A+	A-1	Negative	A2	P-1	Negative	09/07	15/12	A	F1	Stable
Bank of Scotland PLC	A	A-1	Stable	A2	P-1	Negative	16/05	13/12	A	F1	Stable
Bradford & Bingley Bank PLC	-	A-1	-	Aa3	P-1	Negative	10/07	08/12	A	F1	Negative
Co-operative Bank (The)	BBB-	A-3	Stable	A3	P-2	Stable	13/06	16/12	A-	F2	On Watch
HSBC Bank PLC	AA-	A-1+	Stable	Aa3	P-1	Negative	09/07	01/03	AA	F1+	Negative
Lloyds TSB Bank PLC	A	A-1	Stable	A2	P-1	Negative	27/06	19/03	A	F1	Stable
National Westminster Bank PLC	A	A-1	Stable	A3	P-2	Negative	19/03	19/03	A	F1	Stable
Northern Rock (Asset Management) PLC	A	A-1	Stable	Aa3	P-1	Negative	08/12	08/12	A	F1	Negative
Royal Bank of Scotland	A-	A-1	Stable	A3	P-2	Negative	17/05	19/03	A	F1	Stable

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 19

meeting date: 7 AUGUST 2012
 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 fraud investigations, prosecutions and sanctions.

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 25 July 2012:

	£000	£000	2012/13 % to 25 July	2011/12 % to 25 July
Balance Outstanding 1 April 2012		475		
NNDR amounts due	16,507			
Plus costs	4			
Transitional surcharge	20			
Write ons	7			
	16,538			
Less				
- Transitional relief	-309			
- Exemptions	-373			
- Charity, Rural, Former Agricultural Discretionary Relief	-964			
- Small Business Rate Relief	-1,559			
- Write offs	-29			
- Interest Due	-2			
	-3,236	13,302		
Total amount to recover		13,777		
Less cash received to 25 July		-4,508	32.7	31.8
Amount Outstanding		9,269	67.3	68.2

NB The figures included in the table include not only those charges for 2012/13 but also those relating to previous years, but we are required to report to the Department of Communities and Local Government (DCLG) 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 30 June 2012 is 30.4% compared with 29.8% at 30 June 2011.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 25 July 2012:

	£000	£000	2012/13 % to 25 July	2011/12 % to 25 July
Balance Outstanding 1 April 2012		420		
Council Tax amounts due	37,214			
Plus costs	30			
Transitional relief	2			
Write ons	3			
	37,249			
Less - Exemptions	-978			
- Discounts	-2,869			
- Disabled banding reduction	-41			
- Council Tax Benefit	-2,269			
- Write offs	-5			
	-6,162	31,087		
Total amount to recover		31,507		
Less cash received to 25 July		-9,957	31.6	31.6
Amount Outstanding		21,550	68.4	68.4

NB The figures included in the table include not only those charges for 2012/13 but also those relating to previous years, but we are required to report our in year collection rate to the DCLG. 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 for 2012/13 at 30 June 2012 is 30.4% compared to 30.4% at 30 June 2011.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 24 July 2012 is:

	£000	£000	%
Amount Outstanding 1 April 2012		308	
Invoices Raised	647		
Plus costs	1		
	648		
Less write offs	0	648	
Total amount to recover		956	
Less cash received to 24 July 2012		488	51.05
Amount outstanding		468	

Aged Debtors	000s	%
< 30 days	72	15.38
30 - 59 days	22	4.7
60 - 89 days	31	6.62
90 - 119 days	170	36.33
120 – 149 days	6	1.28
150+ days	167	35.69
	468	100

5 HOUSING BENEFIT PERFORMANCE

- 5.1 The main indicators for Housing Benefit and Council Tax Benefit performance are the National Indicators for Right Benefit and 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 benefit fraud and also overpayment data.

Housing Benefit Right Time Indicator 2012/2013

1 April 2012 – 30 June 2012

The right time indicator measures the time taken to process HB/CTB 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	Average Performance
10 days	13.75 days	20 days per IRRV

New claims performance

1 April 2012 – 30 June 2012

Target for year	Actual Performance	Top grade 4 for all LA's 2007/08
20 days	22.5 days	Under 30 days

6 HOUSING BENEFIT FRAUD

6.1 The following is a summary of fraud investigations for the period 1 April 2012 to 30 June 2012.

Completed fraud investigations	
1 April 2012 – 30 June 2012	49

Average caseload (YTD)	
2012/2013	2,878

Number of investigations per 1,000 caseload		
2012/2013	49/2,878	17.03

Number of Housing/Council Tax Benefit prosecutions and sanctions per 1,000 caseload

2012/2013	
Cautions	0
Administrative penalties	0
Successful prosecutions	0
Total	0

Average caseload (YTD)	
2012/2013	2,878

Number of prosecutions/sanctions per 1,000 caseload		
2012/2013	0/2,878	0

7 HOUSING BENEFIT OVERPAYMENTS

7.1 Unfortunately, the benefit department cannot report the performance for the period 1 April 2012 to 30 June 2012 due to software problems.

8 CONCLUSION

8.1 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

PF38-12/ME/AC
11 JULY 2012

BACKGROUND PAPERS – None

For further information please ask for Mark Edmondson extension 4504.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY 7 AUGUST 2012
title: RECEPTION REMODELLING SCHEME – PROGRESS REPORT
submitted by: JOHN HEAP – HEAD OF COMMUNITY SERVICES
principal author: TIM LYNAS – PRINCIPAL SURVEYOR

1 PURPOSE

- 1.1 To provide an update to the Committee on the progress made in relation to the reception remodelling scheme in the Council Offices, Church Walk, Clitheroe.
- 1.2 Relevance to the Council's ambitions and priorities:
- Community Objectives – To meet the needs of residents, businesses and visitors.
 - Corporate Priorities – To be an efficient well run council.
 - Other Considerations – To promote thriving service centres.

2 BACKGROUND

- 2.1 Historically the Council have provided three separate reception areas on level B, C and D of the Council Offices Building. These have been directly related to the services offered on each floor.
- 2.2 While this has worked reasonably well in the past, best practices approaches to public service delivery have evolved in recent years. It was therefore felt that an opportunity to reflect these changes should be taken, particularly if these measures improved the efficiency of the service.

3 ISSUES

- 3.1 The historic arrangement often resulted in members of the public with more than one enquiry visiting a number of different reception areas. This was found to be both inconvenient and time consuming for the end user.
- 3.2 In order to improve the efficiency of the services offered, it was proposed to consolidate the reception provision. In particular, to create a single location where a range of services can be accessed, and where members of staff can operate in a customer facing capacity in a range of private and semi-private areas.
- 3.3 In order to ensure that this was fit for purpose, a range of measures were proposed including:
- The relocation of the payments area.
 - The creation of a customer service area.
 - The construction of a number of interview rooms.
 - The addition of a public intranet area.

- The relocation of the contact centre.
- 3.4 The work started on site during May 2012 and is anticipated to reach practical completion by early August 2012.
 - 3.5 As a result of the increased facilities on Level B, the decision was made to close the reception on level C. This took place on 16 July 2012.
 - 3.6 There was therefore the potential to re-configure the reception area on Level C. A range of options were put forward and considered by the Council's Corporate Management Team. The preferred option was to retain the interview room and to convert the surrounding space into a 'break out area'.
 - 3.7 In April 2012 the Tourist Information service which was originally located on Level B was relocated to the Platform Gallery. The aims of this were twofold, firstly to improve the accessibility of the Tourism Service, and secondly to make additional space available within level B of the Council Offices. The total capital budget for this and the reception scheme was £100,000.00.
 - 3.8 As a result of careful design, specification and planning, the projected cost has been kept to £92,000.00. The residual budget inclusive of the remaining contingency is therefore £8,000.00.
 - 3.9 Following instructions from the Corporate Management Team a variation order has been issued to the contractor to undertake the conversion work to Level C reception area. It is expected that this will add three weeks to the overall programme.
 - 3.10 While it is hoped that this will be kept within the initial budget, there is a chance of a minor overspend, however the project will be carefully managed, and additional resources identified if required.

4 **RISK ASSESSMENT**

The approval of this report may have the following implications:

Resources – The total budget for the remodelling of Level B, Level C, and the changes to the Platform Galley, was £100,000. Although the scheme is still work in progress, the costs appear to be broadly in line with the overall budget. The approved service review savings gave as a minimum annual staff savings of £21,000 from the transfer of routine Revenues and Benefits queries into the Customer Services Area, and £44,530 per annum from the replacement of the Customer Relationship Management (CRM) system. The service will continue to be monitored as it matures.

Technical, Environmental and Legal – Efforts have been made to use recycled materials and components wherever possible.

Political – None

Reputation – It is hoped that the improved service delivery model will enhance the Council's reputation for being well-managed organisation.

Equality and Diversity – None

5 CONCLUSION

- 5.1 The progress made in relation to the reception re-modelling scheme, including the proposals for the former reception area on level C, and the associated service improvements, should make it easier for visitors to have their enquiries dealt with promptly and at the first point of contact.
- 5.2 While level D reception area is currently open and in use, it is anticipated that Planning, Environmental Health and Building Control will make an increased use of the improved facilities on Level B. Corporate Management Team has asked that changes in the way visitors who currently visit level D are dealt with, are monitored so that the potential for further improvements can be identified.

TIM LYNAS
PRINCIPAL SURVEYOR
SERVICES

JOHN HEAP
DIRECTOR OF COMMUNITY

For further information please ask for Tim Lynas on 01200 413212

REF: timlynas/policyandfinance/070812

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 7TH AUGUST 2012
title: CLITHEROE FOOD FESTIVAL RDPE BID
submitted by: CHIEF EXECUTIVE
principal author: CRAIG MATTHEWS

1 PURPOSE

- 1.1 To receive an update of the Clitheroe Food Festival bid submission to the Rural Development Programme for England.
- 1.2 Relevance to the Council's ambitions and priorities:
 - To sustain a strong and prosperous Ribble Valley, encompassing our objective to 'encourage economic development throughout the borough with a specific focus on tourism'

2 BACKGROUND

- 2.1 A report was presented to the RVBC Community Services Committee on 22nd May 2012 titled: Clitheroe Food Festival Update regarding arrangements the provision of the Clitheroe Food Festival on 4th August 2012, highlighting the future arrangements being made to facilitate the longer term provision of the festival events between the Council (with the in kind and financial resources that it provides to event activities) and the recently established company: Clitheroe Festival of Food Ltd, and that in addition to this support already provided a number of financial sponsors have been successfully secured to support the event.
- 2.2 The report also provided information regarding a Rural Development Programme for England (RDPE) bid submission by the Council, which could provide further potential funds towards delivery of festival events through 2012 and 2013, including an additional food festival event during the Christmas trading period in 2012, and regardless of the outcome of this bid the Council had made a commitment to support the 4th August Food Festival in 2012 in the form of officer time, infrastructure and financial support, and dependant on that outcome also, proposals for the provision and budgets of future food festivals beyond this event will be revisited in partnership with the Clitheroe Festival of Food Ltd.
- 2.3 RDPE is a jointly funded programme by the European Union (EU) and the Department for Environment, Food and Rural Affairs (DEFRA). The aims of the programme are to safeguard and enhance the rural environment, improve the competitiveness of the agricultural sector and foster sustainable and thriving rural businesses and rural economies across England. To meet European Commission requirements, programme activity is overseen and managed on a regional and local basis. In Lancashire this is undertaken by staff at DEFRA's Penrith offices and locally by an RDPE team at Lancashire County Council (LCC).

3 INFORMATION

- 3.1 The RDPE bid in its current form has been unsuccessful. However, discussions with RDPE representatives at both LCC and DEFRA have indicated that this position is primarily as a result of certain EU eligibility rules in connection with the 4th August 2012 event, and that a more positive attitude has been taken in the bids proposals to develop and expand future festival events and activities which can support economic growth. The reasons for this current position are explained in the next sections of this report.
- 3.2 The proposals within the bid were to cover costs for the delivery of the Clitheroe Food Festivals over the single day 4th August 2012, a 2 day December 'Christmas' festival, and a 2 day August 2013 festival. It was determined by both RDPE officers within LCC and the DEFRA regional offices in Penrith that the bid in its current form could not receive funding due to concern over the European funding rules around 'additionality' and that there was limited justification as to how RDPE funding towards the delivery of the 4th August 2012 event would provide such 'additional' benefits to the funding programme as determined by these RDPE/EU rules.
- 3.3 The criteria for funding also specifies that any activities that take place on a project before an offer of funding is made will not be eligible for funding, and that all projects are appraised before any expenditure is committed. The appraisal must include justification that a) there is a clearly identified need for intervention and b) that any proposed intervention is cost effective and adds value (additionality).
- 3.4 Many applicants for funding have found the RDPE assessment and appraisal process particularly onerous and the programme teams at LCC and DEFRA Penrith also retain the right to defer grant applications where applications need further development to provide sufficient reasons for RDPE monies to be committed at any given stage, and as such many applications have been held in what's referred to as in 'pipeline' or development, as has this one at this stage.
- 3.5 Clarity has also been requested in terms of sustainability (i.e. some guarantees or evidence that the festival activities will continue once public funding has ended) this includes the support from RVBC. Otherwise, whether RVBC would continue to support or underwrite costs to deliver the festival in future years, which brings forward the dilemma that if RVBC can do this why the need for RDPE money.
- 3.6 The England Rural Development Programme documents specify that there are opportunities to improve the services offered and make rural tourism more sustainable, e.g. by forging better links between the businesses and their local environmental and cultural assets (including food and drink), and by encouraging collaboration and more effective use of ICT. All of these aspects can be strengthened and supported by the development and delivery of food festival events and other tourism support activities currently happening in Ribble Valley.
- 3.7 Rural tourism activity is fundamentally linked to the local environmental, landscape and heritage offer. As such, sustainable tourism is a priority area of development for rural tourism in England. Designated land, such as National Parks, indicates landscapes of national importance and therefore where there are in particular wider public benefits from managing visitor impacts sustainably and effectively. In addition, some regions have identified fragile environments as being especially vulnerable to visitor impacts.

- 3.8 Encouragement of rural tourism activities is also important for rural employment. Rural tourism can also benefit from close links with agriculture, through its role in landscape management, diversifying into provision of tourism services and through linkages with regional and local food, which form part of the offer to tourists. Encouraging collaboration between food and tourism businesses would increase local rural economic benefits, such as employment, from tourism. Regions have also identified specific rural tourism business needs, such as increased use of ICT.
- 3.9 Currently, evidence suggests events, together with the Ribble Valley Food Trail, have the potential to give the borough a regional and even national reputation as a food destination and so help support the Council's regeneration and tourism aspirations. However, much of this evidence can be subjective or anecdotal indications that these activities can continue to support the sustainable growth in both tourism and the food and drink sectors without continuing financial and resource intervention from public sources (i.e. RVBC and RDPE), and therefore a robust approach is required to monitoring and evaluating future activities in order to substantiate this.
- 3.10 An option remains to revise the bid to cover future activities and events over 2012 and 2013 with the further suggestion that a revised application incorporates robust monitoring and evaluation of these in order to examine development opportunities as well as their future viability and sustainability. These opportunities and proposals for the provision of the planned future food festivals, including budgets, will be revisited in partnership with Clitheroe Festival of Food Company Ltd and reported back to this committee regarding these future developments.

CHIEF EXECUTIVE

Background Papers: -

1. Clitheroe Food Festival report to Community Services Committee (22 May 2012)
2. Clitheroe Food Festival report to Community Services Committee (8 November 2011)
3. RDPE funding bid for Clitheroe Food Festival
4. Pennine Lancashire Local Development Strategy (RDPE)

For further information please ask for Craig Matthews, extension 4531.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY, 7 AUGUST 2012
 title: OMBUDSMAN'S ANNUAL REVIEW REPORT 2011/2012
 submitted by: CHIEF EXECUTIVE
 principal author: DIANE RICE, HEAD OF LEGAL AND DEMOCRATIC SERVICES

1 PURPOSE

1.1 To inform Committee about the complaints referred to the Local Government Ombudsman relating to this Authority, for the year ended 31 March 2012.

1.2 Relevance to the Council's ambitions and priorities

- Community Objectives - }
 - Corporate Priorities - }
 - Other Considerations - }
- The Council aims to be a well-managed Council providing efficient services based on identified customer needs. Complaints to the Ombudsman and the process of resolving complaints and responding to the Ombudsman's investigation helps to inform the way the Council delivers services to its customers.

2 BACKGROUND

2.1 Each year the Local Government Ombudsman publishes statistics relating to the number of complaints decided relating to each authority. These statistics are then included in the Ombudsman's annual report.

2.2 A copy of the annual report for this Council is attached at Appendix 1.

2.3 During the period 31 March 2011 to 31 March 2012 six enquiries were received by the Ombudsman of which 6 were referred for investigation.

2.3 The 6 cases referred for investigation by the Ombudsman were determined as follows:

- Not enough evidence of fault - 2
- No or minor injustice or other - 4

2.4 The Ombudsman has commented as follows:

"I am pleased to say that I have no concerns about your authority's response times and there are no issues arising from the complaints that I want to bring to your attention".

3 RISK ASSESSMENT

3.1 The approval of this report may have the following implications

- Resources – No implications identified.
- Technical, Environmental and Legal – No implications identified.
- Political – No implications identified.

- Reputation – No implications identified.
- Equality & Diversity – No implications identified.

4 **CONCLUSION**

4.1 Note the information contained in Appendix 1.

DIANE RICE
HEAD OF LEGAL AND DEMOCRATIC SERVICES

MARSHALL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

1 None.

For further information please ask for Diane Rice, extension 4418.

P&F/070812/DER/EL

22 June 2012

Local Government
OMBUDSMAN

Mr M Scott
Chief Executive & Director
Borough Council of Ribble Valley
Council Offices
Church Walk
CLITHEROE
Lancashire BB7 2RA

Dear Mr Scott

Annual Review Letter

I am writing with our annual summary of statistics on the complaints made to me about your authority for the year ended 31 March 2012. I hope the information set out in the enclosed tables will be useful to you.

The statistics include the number of enquiries and complaints received by our Advice Team, the number forwarded by the Advice Team to my office, and decisions made on complaints about your authority. The decision descriptions have been changed to more closely follow the wording in our legislation and to give greater precision. Our guidance on statistics provides further explanation ([see our website](#)).

The statistics also show the time taken by your authority to respond to written enquiries.

I am pleased to say that I have no concerns about your authority's response times and there are no issues arising from the complaints that I want to bring to your attention.

Changes to our role

I am also pleased to have this opportunity to update you on changes to our role. Since April 2010 we have been exercising jurisdiction over the internal management of schools on a pilot basis in 14 local authority areas. This was repealed in the Education Act 2011 and the power restored to the Secretary of State for Education. During the short period of the pilot we believe we have had a positive impact on the way in which schools handle complaints. This was endorsed by independent research commissioned by the Department for Education which is available [on their website](#).

Our jurisdiction will end in July 2012 and all complaints about internal school matters will be completed by 31 January 2013.

From April 2013, as a result of the Localism Act 2011, local authority tenants will take complaints about their landlord to the Independent Housing Ombudsman (IHO). We are working with the IHO to ensure a smooth transition that will include information for local authority officers and members.

Supporting good local public administration

We launched a new series of Focus reports during 2011/12 to develop our role in supporting good local public administration and service improvement. They draw on the learning arising from our casework in specific service areas. Subjects have included school admissions, children out of school, homelessness and use of bankruptcy powers. The reports describe

good practice and highlight what can go wrong and the injustice caused. They also make recommendations on priority areas for improvement.

We were pleased that a survey of local government revenue officers provided positive feedback on the bankruptcy focus report. Some 85% said they found it useful.

In July 2011, we also published a report with the Centre for Public Scrutiny about how complaints can feed into local authority scrutiny and business planning arrangements.

We support local complaint resolution as the most speedy route to remedy. Our training programme on effective complaint handling is an important part of our work in this area. In 2011/12 we delivered 76 courses to councils, reaching 1,230 individual learners.

We have developed our course evaluation to measure the impact of our training more effectively. It has shown that 87% of learners gained new skills and knowledge to help them improve complaint-handling practice, 83% made changes to complaint-handling practice after training, and 73% said the improvements they made resulted in greater efficiency.

Further details of publications and training opportunities are on [our website](#).

Publishing decisions

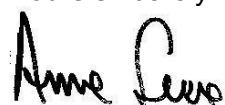
Following consultation with councils, we are planning to launch an open publication scheme during the next year where we will be publishing on our website the final decision statements on all complaints. Making more information publicly available will increase our openness and transparency, and enhance our accountability.

Our aim is to provide a comprehensive picture of complaint decisions and reasons for councils and the public. This will help inform citizens about local services and create a new source of information on maladministration, service failure and injustice.

We will publish a copy of this annual review with those of all other English local authorities on our website on 12 July 2012. This will be the same day as publication of our Annual Report 2011/12 where you will find further information about our work.

We always welcome feedback from councils and would be pleased to receive your views. If it would be helpful, I should be pleased to arrange a meeting for myself or a senior manager to discuss our work in more detail.

Yours sincerely



Anne Seex
Local Government Ombudsman

LGO advice team

Enquiries and complaints received	Housing	Planning & Development	Total
Advice given	1	0	1
Premature complaints	0	1	1
Forwarded to Investigative team (resubmitted)	0	1	1
Forwarded to Investigative team (new)	0	3	3
Total	1	5	6

Investigative team - Decisions

Not investigated			Investigated			Report	Total
No power to investigate	No reason to use exceptional power to investigate	Investigation not justified & Other	Not enough evidence of fault	No or minor injustice & Other	Injustice remedied during enquiries		
0	0	0	2	4	0	0	6

	No of first enquiries	Avg no of days to respond
Response times to first enquiries	1	31.0