

RIBBLE VALLEY BOROUGH COUNCIL

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Dear Councillor

You are invited to attend a meeting of **SPECIAL POLICY AND FINANCE COMMITTEE** at **6.30PM** on **TUESDAY, 11 FEBRUARY 2014** 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. Declarations of Interest (if any).
3. Public Participation (if any).

INFORMATION

- ✓ 4. Provisional Local Government Finance Settlement for 2014/2015 and Illustrative Settlement for 2015/2016 – report of Director of Resources – copy enclosed.

DECISION

- ✓ 5. Overall Revised Capital Programme 2013/2014 – report of Director of Resources – copy enclosed.

- ✓ 6. Overall Capital Programme 2014-2017 – report of Director of Resources – copy enclosed.
- ✓ 7. Overall Revenue Budget 2014/15 – report of Director of Resources – copy enclosed.
- ✓ 8. Medium Term Financial Strategy – report of Director of Resources – copy enclosed.

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

None.

INFORMATION

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 4

meeting date: 11 FEBRUARY 2014
title: PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15
& ILLUSTRATIVE SETTLEMENT FOR 2015/16
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1. PURPOSE

1.1 To report the details of the provisional finance settlement for 2014/15 and 2015/16.

2. BACKGROUND

2.1 The local government finance settlement is the annual determination of funding to local government and is approved by the House of Commons. The grant settlement for next year was issued on Wednesday 18 December 2013.

2.2 The Parliamentary Under Secretary of State for Communities and Local Government, Brandon Lewis, issued a written ministerial statement to the House of Commons which set out the Local Government Finance Settlement for 2014/15 and 2015/16. The illustrative 2015/16 settlement provides early information ahead of the provisional 2015/16 settlement, which is expected to be announced in December 2014.

2.3 A consultation period on the proposals was launched and ended on 15 January 2014. It is expected the final 2014/2015 settlement will be laid before the House of Commons in mid-February.

3. KEY POINTS

3.1 This is the second year of a new style settlement incorporating the retention of business rates.

3.2 There is a reduction in net Aggregate External Finance of 9.4 per cent in 2014/15 and 13.2 per cent in 2015/16. Compared with the summer consultation, there is £123 million more in the Settlement Funding Assessment (SFA) for 2014/15 and £131 million more for 2015/16 which has been found by reducing holdbacks for New Homes Bonus (£100m in each year) and capitalisation (£50million). The balance is explained by the resources for Efficiency Support Grant and sparse authorities.

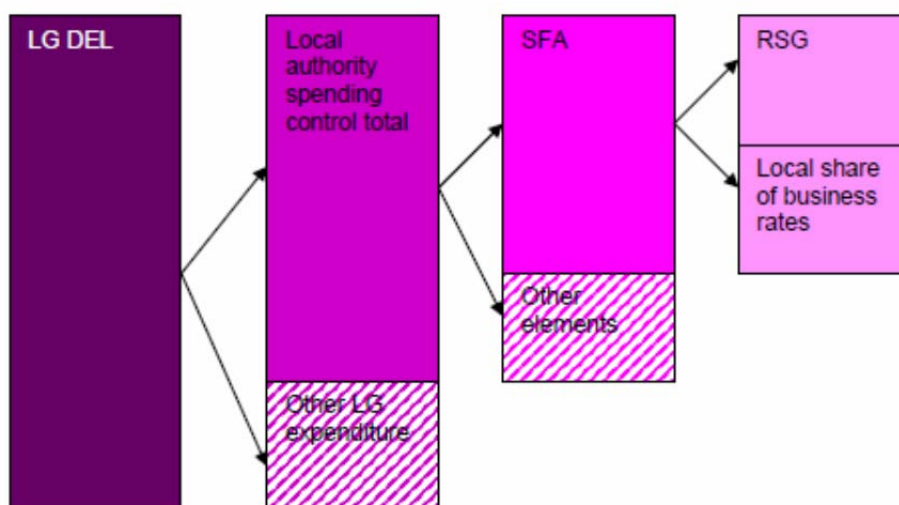
3.3 There is an overall reduction of revenue spending power of 2.9% in 2014/15 and 1.8% in 2015/16 (these figures exclude the Greater London Authority). This includes new resources for social care through the Better Care Fund. Excluding council tax income this is a reduction of 5.3% in 2014/15 and 3.5% in 2015/16, or 8.5% over the two years.

3.4 We have been given confirmation that the Government will pay in full for the business rates changes announced in the Autumn Statement. The Government is doing this by increasing revenue support to compensate for the lower increase in the local share by a section 31 grant.

3.5 **Referendum limits have still not been announced.** The Government said they will make a further announcement early in 2014.

3.6 The Government has announced an additional £2.35bn of basic needs funding for councils to plan and create new school places that will be needed by 2017.

4. LOCAL GOVERNMENT DEPARTMENTAL EXPENDITURE LIMIT (LG DEL)
- 4.1 LG DEL is the government budget agreed by Parliament that is allocated to and spent by the local government sector as a whole. The amount and how it is split is set at Spending Reviews. LG DEL includes funding for local authorities (the local authority spending control total) and certain other local government organisations such as the Valuation Office Agency.
- 4.2 Any changes to LG DEL may be spread equally between the local authority spending control total and the other organisations or changes may be applied in different ways. If they are applied differently, the percentage change to the overall amount of LG DEL will be different to the percentage change to the local authority spending control total



5. SETTLEMENT FUNDING ASSESSMENT (SFA)
- 5.1 The Settlement Funding Assessment consists of the local share of business rates, and Revenue Support Grant. The first Settlement Funding Assessment in 2013/14, which formed the starting point for setting Revenue Support Grant until 2020, was called the Start-Up Funding Assessment
- 5.2 This is broadly the equivalent of our former Formula Grant.

The effect of RPI on Settlement Funding Assessment

- 5.3 The local share of business rates was set at the outset of the scheme in 2013 as 50% of Estimated Business Rates Aggregate and is fixed until 2020. For the purposes of the Settlement Funding Assessment this figure is uprated year on year in line with the change in the small business multiplier (generally the September RPI). The overall Settlement Funding Assessment is set at the time of Spending Reviews. Because the actual September RPI is not known at that stage, the RPI forecast by the Office of Budgetary Responsibility at the time of the Spending Review for the third quarter (the period covering September) is used.
- 5.4 Subsequently, as the actual September RPI is known and the small business multiplier is set, any difference will be reflected in the local share of the Settlement Funding Assessment. If the actual small business rates multiplier is higher than the RPI forecast at the time of the Spending Review, the overall Settlement Funding Assessment will be higher than previously forecast. Conversely it will be lower if the Small Business multiplier is lower than forecast.

6. REVENUE SUPPORT GRANT

6.1 The amount of Revenue Support Grant provided to local government is just one part of the overall amount of funding determined during a Spending Review. However, for local authorities, since the introduction of the Business Rate Retention Scheme, Revenue Support Grant is the primary source of funding from central government.

7. BREAKDOWN OF START-UP FUNDING ASSESSMENT/SETTLEMENT FUNDING ASSESSMENT FOR RIBBLE VALLEY 2014/15 & 2015/16

	Adjusted 2013/14 Start-up Funding Assessment £m	Provisional 2014/15 Settlement Funding Assessment £m	Illustrative 2015/16 Settlement Funding Assessment £m
Lower Tier Funding	2.833000	2.428546	2.032365
2011/12 Council Tax Freeze Grant	0.078660	0.078308	0.078282
Homeless Prevention Funding	0.050000	0.049252	0.049235
Efficiency Support for Services in Rural Areas	0.009901	0.012657	0.012657
2013/14 Council Tax Freeze Grant	0.031472	0.031472	0.031472
Returned Holdback		0.003180	
SFA	3.003033	2.603415	2.204012
Consists of:			
Revenue Support Grant		1.397190	0.964494
Baseline Funding Level		1.206225	1.239518
SFA	3.003033	2.603415	2.204012

8. SPENDING POWER

8.1 The Government once again have produced tables showing what they say is the “spending power” of each authority.

8.2 The Government’s definition of revenue spending power is spending power from council tax, Government revenue grants including New Homes Bonus and National Health Service Funding for social care. The calculation of each local authority’s spending power is also used to calculate eligibility for Efficiency Support Grant.

How does our allocation compare with 2013/14

8.3 There are two ways of looking at this – the Government’s view and then the comparison in cash terms.

8.4 Using the Government's Spending Power comparison, the situation for Ribble Valley is set out below:

	Ribble Valley
	£m
2013-14 Council Tax Requirement excluding parish precepts	2.961947
Start-up Funding Assessment (adjusted) 2013-14	3.003033
minus Council Tax Support Funding to Parishes 2013-14	-0.023063
Efficiency Support Grant 2013-14	0.000000
Lead Local Flood Authorities 2013-14	0.000000
Community Right to Challenge 2013-14	0.008547
Community Right to Bid 2013-14	0.007855
New Homes Bonus 2013-14	0.367698
New Homes Bonus: Returned Funding 2013-14	0.010029
Housing Benefit Administration Subsidy 2013-14	0.213505
Council Tax Support New Burdens Funding 2013-14	0.027897
Estimated 2013-14 Revenue Spending Power	6.577447
Estimated 2014-15 Council Tax Requirement excluding parish precepts	2.962873
Settlement Funding Assessment 2014-15	2.603416
Settlement Funding Assessment: Adjustment 2014-15	0.012805
minus Council Tax Support Funding to Parishes 2013-14	-0.023063
Lead Local Flood Authorities 2014-15	0.000000
Community Right to Challenge 2014-15	0.008547
Community Right to Bid 2014-15	0.007855
Indicative CT Freeze 2014-15	0.031482
Provisional New Homes Bonus 2014-15	0.576563
New Homes Bonus: Returned Funding 2014-15	0.004180
Local Council Tax Support and Housing Benefit Admin Subsidy 2014-15	0.187884
Indicative Council Tax Support New Burdens Funding 2014-15	0.056553
Efficiency Support Grant 2014-15	0.000000
Estimated 2014-15 Revenue Spending Power	6.429095
Change in estimated 'revenue spending power' 2014-15	-2.25%

8.5 Our analysis of the change in cash terms however shows a different picture:

Analysis of change in grant funding on a like for like basis					
	2013/14 settlement £	2014/15 Provisional settlement £	% change	2015/16 Illustrative settlement £	% change
RSG	1,778,495	1,397,190		964,494	
Business Rates Baseline	1,183,184	1,206,225		1,239,518	
SFA	2,961,679	2,603,415	12.1%	2,204,012	15.3%

8.6 The main difference between the two comparisons is that the Government include in our Spending Power the income we get from the New Homes Bonus scheme. Clearly by doing this the Government are suggesting this forms part of our core Government funding.

9. NEW HOMES BONUS

9.1 The Government have announced the provisional amounts for the New Homes Bonus (NHB) for 2014/15 (£916m) and 2015/16 (£1,150m). As previously announced the Government will not be going ahead with the transfer of £330m of NHB to Local Enterprise Partnerships in 2015/16.

9.2 Our allocation for 2013/14 was £367,698 and for 2014/15 will be £594,807 (final). Members will recall under the scheme we will receive funding for new homes or empty properties brought back into use. The amount receivable is equivalent to the national average council tax for each property and is paid out every year for the following six years.

9.3 The table below shows the amounts we have already received and also an estimate projected forward based on current levels. You will see the amounts falling out after the sixth year and also monies used/committed to date.

Use of New Homes Bonus monies												
		<i>Received in year</i>										
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Relates to:	2011/12	62,046	62,046	62,046	62,046	62,046	62,046					
	2012/13		117,599	117,599	117,599	117,599	117,599	117,599				
	2013/14			188,053	188,053	188,053	188,053	188,053	188,053			
prov alloc	2014/15 in Dec 13				227,109	227,109	227,109	227,109	227,109	227,109		
						x	x	x	x	x	x	
							y	y	y	y	y	y
	Available	62,046	179,645	367,698	594,807	594,807	594,807	532,761	415,162	227,109	?	?
Allocated:												
Revenue	base budget	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capital	to fund econ dev	0	100,000	0	0	0	0	0	0	0	0	0
		60,000	160,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	Spare ie unallocated	2,046	19,645	307,698	534,807	534,807	534,807	472,761	355,162	167,109	?	?

10. EFFICIENCY SUPPORT GRANT

- 10.1 The Government has decided to again offer more protection to councils against large reductions in spending power – no council will see a reduction of more than 6.9% in overall spending power through the Efficiency Support Grant (an increased level of protection on 2013-14's limit of 8.8%). The Government state *this will provide additional support to councils most affected by reductions in spending power to support long term changes to bring costs down whilst continuing to deliver the services that their local citizens expect.*
- 10.2 The grant is available to the seven local authorities who saw a reduction in revenue of more than 8.8% in 2013-14 however funding for 2014-15 will be dependent on performance achieved in 2013-14. Two additional local authorities who otherwise would have spending power falls in 2014-15 of great than 6.9% will also receive funding in 2014-15, their funding will also be conditional on performance.
- 10.3 Eligibility for the grant and final amounts are only illustrative at this time and will be subject to final calculations that will be made in autumn 2014 and on LA performance.

Local Authority	Provisional New Homes Bonus 2014-15 £m	Estimated 2013-14 Revenue Spending Power £m	Efficiency Support Grant 2014-15 ⁶ £m	Estimated 2014-15 Revenue Spending Power £m	Change in estimated 'revenue spending power' 2014-15 %
Great Yarmouth	0.949	15.878	1.864	14.827	-6.62%
Burnley	0.583	18.068	1.859	17.048	-5.65%
Hyndburn	0.347	14.436	1.272	13.544	-6.17%
Barrow-in-Furness	0.373	12.558	1.175	11.820	-5.88%
Bolsover	0.772	11.270	1.064	10.686	-5.18%
Pendle	0.714	16.443	1.026	15.549	-5.43%
Hastings	0.886	16.593	0.975	15.898	-4.19%
East Lindsey	1.321	20.270	0.114	18.871	-6.90%
Chesterfield	0.452	12.560	0.039	11.694	-6.90%

Efficiency Support Grant in 2014-15 is dependent on local authority's performance. It is capped so that no local authority should receive a spending power reduction of more than 6.9%. For local authorities that received Efficiency Support Grant in 2013-14 they will not get less than their 2013-14 amount in 2014-15.

11. EFFICIENCY SUPPORT FOR SERVICES IN SPARSE AREAS

11.1 Members will recall last year, following extensive lobbying from SPARSE and RSN the Government announced a small amount of extra funding for some authorities in rural areas. We received £9,901 as a separate grant. For 2014/15 and 2015/16 the Government have announced our amounts will be £12,657, however this will not be paid as a separate grant. Instead it has been 'rolled up' into our Revenue Support Grant.

12. COUNCIL TAX FREEZE GRANT

12.1 The Government have announced a Freeze Grant worth 1% for both 2014/15 and 2015/16 for those councils who decide to freeze their council tax. For Ribble Valley this would mean we would receive approximately £31,560.

12.2 The Government intend that the council tax freeze funding for 2014/15 and 2015/16 should be built into the baseline for subsequent years.

13. CONCLUSION

13.1 The Grant Settlement is virtually the same as was indicated as part of the technical consultation in summer 2013.

13.2 Our settlement as set out at 8.5 shows that we face a 12.1% reduction in grant next year with a further 15.3% reduction the year after. This is before taking into account other funding such as our New Homes Bonus allocation.

DIRECTOR OF RESOURCES

PF11-14/JP/AC
3 FEBRUARY 2014

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 5

meeting date: 11 FEBRUARY 2014
title: OVERALL REVISED CAPITAL PROGRAMME 2013/14
submitted by: DIRECTOR OF RESOURCES
principal author: AMY JOHNSON

1 PURPOSE

1.1 To consider the overall revised capital programme.

1.2 Relevance to the Council's ambitions and priorities:

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

2 BACKGROUND

2.1 The original capital programme for 2013/14 was approved by Full Council in March 2013.

2.2 Regular reports have been presented quarterly to all committees on progress with the capital programme.

3 ORIGINAL PROGRAMME 2013/14 – CURRENT FINANCIAL YEAR

3.1 The original capital programme for the current year included schemes at a total estimated cost of £833,000. Additionally £201,620 of the budget from 2012/13 was moved to the 2013/14 financial year at the time of setting the revised estimate for 2012/13.

3.2 Furthermore, not all planned expenditure for last year was spent by the end of the financial year and the balance of this, totalling £216,590 (which is known as slippage) has been transferred into this financial year.

3.3 Further approvals to the capital programme have also been made in year of £308,920 which relate to the following schemes:

- Clitheroe Cemetery Installation of Infrastructure
- John Smiths Play Area
- Two Paper and Cardboard Collection Vehicles
- Retention of Weekly Collection of Residual Waste
- Public Sector Network Compliance

4 REVISING THE CURRENT YEAR'S PROGRAMME

4.1 We have now discussed in some detail the schemes in the programme with the budget holders and revised the programme to reflect likely expenditure this year. This is shown in Annex 1, alongside the original estimate.

4.2 Updated capital evaluation forms completed by the responsible officers for these schemes have been reported to all committees in previous cycles.

4.3 In summary, the revised programme together with the original programme and expenditure as at end December is shown below:

Committee	Original Estimate 2013/14 £	Budget Moved from 2012/13 £	Slippage from 2012/13 £	Additional Approvals 2013/14 £	Total Approved Budget 2013/14 £	Revised Estimate 2013/14 £	Budget Moved to 2014/15 £	Actual as at end December 2013 £
Community Services	593,000	0	56,390	254,230	903,620	902,830	0	827,322
Planning and Development	0	0	16,000	0	16,000	11,970	0	11,975
Policy and Finance	0	0	105,570	16,430	122,000	122,000	0	608
Health and Housing	240,000	201,620	38,630	38,260	518,510	461,820	57,020	388,628
TOTAL	833,000	201,620	216,590	308,920	1,560,130	1,498,620	57,020	1,228,533

4.4 As can be seen in the table above, a small proportion of the current year's budget is recommended for transfer to the 2014/15 financial year. This 2014/15 budget would then be in addition to the schemes listed in the Overall Capital Programme 2014-17 report contained elsewhere on the agenda. This action is recommended following detailed discussions with Budget Holders as the service is currently unlikely to commit the current year's full budget by the end of March 2014. The schemes affected are:

- Disabled Facilities Grants: £10,000
- Landlord Tenant Grants: £20,000
- Repossession Prevention Fund: £27,020

5. FINANCING OF THE CAPITAL PROGRAMME

5.1 The capital resources to finance the Capital Programme for 2013/14 have also been revised, and are shown in the table below:

	Current Financing £	Revised Financing £	Financing of Schemes Moved to 2014/15 £
Total Approved Budget	1,560,130	1,498,620	57,020
<u>Resources</u>			
<i>Grants and Contributions</i>			
Disabled Facilities Grants	-164,834	-156,151	-10,000
DCLG Grant for Weekly Collection of Waste	-750,000	-750,000	
Repossession Prevention Fund	-36,160	-9,140	-27,020
SITA Trust Grant	-20,230	-20,230	
Friends of Whalley Moor	-7,100	-7,100	

	Current Financing £	Revised Financing £	Financing of Schemes Moved to 2014/15 £
Longridge Town Council	0	-3,000	
Borrowing			
Unsupported Borrowing	-119,010	-119,010	
S106 Monies			
S106 Monies	-88,900	-48,230	
Earmarked Reserves			
VAT Shelter	-257,896	-170,379	-20,000
Planning Reserve	-16,000	-11,970	
New Homes Bonus	-100,000	-100,000	
Capital Reserve Fund		-1,500	
Capital Receipts			
Capital Receipts	0	-101,910	
Total of Resources Used	-1,560,130	-1,498,620	-57,020

5.2 Shown below is a summary of the movements on available capital resources from 1 April 2013 to the anticipated closing balance at 31 March 2014.

Resource	Opening Balance 1 April 2013 £	Added in Year £	Used in Year £	Earmarked for schemes moved to 2014/15 £	Closing Balance 31 March 2014 £
Capital Grants Unapplied b/f	-335,751		290,672	27,020	-18,059
New Grants and Contributions in Year		-670,743	654,949	10,000	-5,794
Capital Reserve Fund**	-399,358	-40,007	1,500		-437,865
Use of VAT Shelter		-190,379	170,379	20,000	0
Use of Planning Reserve		-11,970	11,970		0
Use of New Homes Bonus		-100,000	100,000		0
Capital Receipts		-124,654	101,910		-22,744
S106 Monies		-48,230	48,230		0
Unsupported Borrowing		-119,010	119,010		0
Total	-735,109	-1,304,993	1,498,620	57,020	-484,462

** The recommended minimum level of this reserve is £350,000

6. COMMENTS ON OVERALL POSITION

6.1 The capital programme for 2013/14 has increased by £665,620 from the Originally agreed capital programme at this time last year of £1,034,620. These changes are summarised in the table below:

	£	£
Original Capital Programme at this time last year		1,034,620
Slippage from 2012/13	216,590	
Schemes added or deleted (Net)	308,920	
Schemes increased at Revised Estimate for the current year	330	
Schemes reduced at Revised Estimate for the current year	-4,820	
Schemes moved to 2014/15 at Revised Estimate time	-57,020	
Net Changes		464,000
Proposed Revised Capital Programme 2013/14		1,498,620

6.2 As shown earlier, the revised capital programme for 2013/14 has been fully financed. However, as available resources diminish, this puts further pressure on the affordability of the forward capital programme for future years.

7 RISK ASSESSMENT

7.1 The approval of this report may have the following implications

- Resources – approval of the revised capital programme would see the transfer of a small proportion of the current year's budget into the next financial year. The financing of the schemes to be moved has also been ringfenced.
- Technical, Environmental and Legal – None
- Political – None
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the council
- Equality and Diversity – Equality and Diversity issues are examined as part of the capital bid appraisal process.

8 CONCLUSION

8.1 Overall expenditure has increased by £464,000 from that originally approved at this time last year. There has been a substantial increase to the capital programme through the approval of additional schemes during the year, and from 2012/13 slippage.

8.2 As at the end of December 2013, 82% of the revised capital programme has been completed.

8.5 The level of capital resources continues to be a matter of concern; however, the level of the capital reserve will not fall below the suggested minimum of £350,000.

9 RECOMMENDED THAT COMMITTEE

9.1 Approve the overall revised capital programme for 2013/14.

SENIOR ACCOUNTANT
PF13-14/LO/AC

DIRECTOR OF RESOURCES

**SPECIAL POLICY AND FINANCE COMMITTEE
REVISED CAPITAL RESOURCES 2013-14**

Cost Centre	Schemes	Original Estimate 2013/14	Budget Moved from 2012/13	Slippage from 2012/13	Additional Approvals	Total Approved Budget	Revised Estimate	Budget Moved to 2014/15	Actual Expenditure including commitments (as at end December)
		£	£	£	£	£	£	£	£
<i><u>Community Committee</u></i>									
CALVG	Calderstones Village Green			38,460		38,460	38,460		16,889
CAPRK	Car Parks Rolling Programme			390		390	390		392
CPLAY	Castle Grounds Play Area			10,440		10,440	9,770		9,774
GVWYV	Replacement Vehicle PK06 VWY – Vauxhall Vivaro 2900 DTI LWB Panel Van	13,000				13,000	12,880		12,883
PLAYN	Play Area Improvements	40,000			-4,190	35,810	35,810		11,685
PVEHS	Paper and Cardboard Collection Vehicles (2 of)				24,000	24,000	24,000		23,999
RETWK	Retention of Weekly Collection of Residual Waste	540,000			210,000	750,000	750,000		725,459
WMOOR	Whalley Moor Woodland Paths & Nature Trail			7,100		7,100	7,100		7,285
SMITH	John Smiths Playing Fields Play Equipment				24,420	24,420	24,420		18,956
Total Community Services Committee		593,000	0	56,390	254,230	903,620	902,830	0	827,322

**SPECIAL POLICY AND FINANCE COMMITTEE
REVISED CAPITAL RESOURCES 2013-14**

Cost Centre	Schemes	Original Estimate 2013/14	Budget Moved from 2012/13	Slippage from 2012/13	Additional Approvals	Total Approved Budget	Revised Estimate	Budget Moved to 2014/15	Actual Expenditure including commitments (as at end December)
<u>Planning and Development Committee</u>									
MVMSF	MVM Software			16,000		16,000	11,970		11,975
Total Planning And Development Committee		0	0	16,000	0	16,000	11,970	0	11,975
<u>Policy and Finance Committee</u>									
ECDVI	Economic Development Initiatives			100,000		100,000	100,000		0
PSNCO	Public Sector Network (PSN) Compliance				16,430	16,430	16,430		0
SVNET	Server & Network Infrastructure			5,570		5,570	5,570		608
Total Policy and Finance Committee		0	0	105,570	16,430	122,000	122,000	0	608
<u>Health and Housing Committee</u>									
CMEXT	Clitheroe Cemetery Installation of Infrastructure		84,000	1,470	33,540	119,010	119,010	0	118,774
DISCP	Disabled Facilities Grants	109,000	84,330	-6,400	4,720	191,650	181,650	10,000	154,998
LANGR	Landlord/Tenant Grants	75,000		40,690		115,690	95,690	20,000	51,388

**SPECIAL POLICY AND FINANCE COMMITTEE
REVISED CAPITAL RESOURCES 2013-14**

Cost Centre	Schemes	Original Estimate 2013/14	Budget Moved from 2012/13	Slippage from 2012/13	Additional Approvals	Total Approved Budget	Revised Estimate	Budget Moved to 2014/15	Actual Expenditure including commitments (as at end December)
LPREP	Longridge Purchase and Repair Scheme	45,000				45,000	45,000	0	45,000
PEFBC	Replacement of Pest control Vehicle PE56 EFB	11,000				11,000	11,330	0	11,331
REPPF	Repossession Prevention Fund		33,290	2,870		36,160	9,140	27,020	7,138
Total Health and Housing Committee		240,000	201,620	38,630	38,260	518,510	461,820	57,020	388,629
TOTAL ALL COMMITTEES		833,000	201,620	216,590	308,920	1,560,130	1,498,620	57,020	1,228,534

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 6

meeting date: 11 FEBRUARY 2014
title: OVERALL CAPITAL PROGRAMME 2014-17
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To recommend a capital programme for 2014/17 to Full Council on 4 March 2014

2 DEVELOPING THE THREE YEAR CAPITAL PROGRAMME 2014-17

2.1 Before a capital programme can be approved, consideration needs to be given to whether it is:

- Affordable, both in capital and revenue terms
- Achievable in terms of staff resources and time scales
- In line with Council priorities

2.2 In the same manner as the previous financial year, all Heads of Service were asked to submit capital bids, bearing in mind the limited financial resources that are available to finance the capital programme. Heads of Service were asked to put forward schemes which were the **absolute basic requirement** to keep the council's services running.

2.3 A bid form was completed for each scheme, asking for such details as how the scheme linked to the Council's ambitions, the revenue implications, full capital costs, risk management, performance management.

2.4 Schemes were previously requested at this time last year for the 2014/15 and 2015/16 financial years. However, no bids had previously been requested for the 2016/17 financial year.

2.5 Full details of all bids were presented to members during the recent committee cycle as part of the forward capital programme reports. The Budget Working Group (BWG) and Corporate Management Team (CMT) have also met to consider the draft programme and made a number of proposals/amendments.

3 EXISTING THREE YEAR CAPITAL PROGRAMME

3.1 Last year after considerable discussion and debate, both at the Budget Working Group and CMT meetings, members arrived at a final capital programme for the years 2013 to 2016.

3.2 In reaching the approved capital programme a number of bids were deleted or reduced due to the level of available resources, and it was agreed that the final approved programme was both achievable and affordable in the context of the council's available resources.

3.3 Details of the schemes originally approved in to the capital programme for 2014/15 and 2015/16 can be found at Annex 1, however shown below is a summary of the approved capital programme and the resources planned to finance it.

Previously Approved Capital Programme	2014/15	2015/16
Community Services	40,000	389,000
Policy and Finance		115,000
Health and Housing	195,000	184,000
Total	235,000	688,000
<u>Financing</u>		
Disabled Facility Grants	-109,000	-109,000
New Homes Bonus		-48,000
External Funding and Revenue Contributions (Clitheroe Townscape)		-67,000
S106 Agreements (CIL in future years) - possible use of revenue	-40,000	-40,000
VAT Shelter	-86,000	-424,000
Total	-235,000	-688,000

4 AVAILABLE RESOURCES FOR ANY NEW SCHEMES

4.1 Both Capital and Revenue have competing requirements for the very limited resources that are available. With limited external funding, the only other resources available to us are the earmarked reserves that we hold, such as the VAT Shelter and New Homes Bonus.

4.2 In forthcoming years it is anticipated that New Homes Bonus will largely be used for Revenue purposes, and the VAT shelter is now only received on a 75% reimbursement basis, dropping to 40% in 2018/19. This adds to the longer term pressures on financing the capital programme.

4.3 In reviewing our available resources and balancing the needs of revenue, the recommended maximum level of resources that should be made available for the new capital bids that were received from Heads of Service are summarised below:

Resource	£
VAT Shelter – For Housing Schemes	-75,000
VAT Shelter – For Other Schemes	-150,000
New Homes Bonus	-200,000
Better Care Funding – For Disabled Facility Grants	-161,000
Total Funding Available for New Bids Received	-586,000

4.4 In the past, members have also agreed that borrowing may be considered as an option to finance the capital programme for assets of a long life, for example land and buildings.

4.5 Shown below is a summary of the anticipated closing balance of other capital resources as at 31 March 2014.

Resource	Earmarked for Schemes moved to 2014/15 £	Closing Balance 31 March 2014 £
Capital Grants Unapplied b/f	-27,020	-18,059
New Grants and Contributions in Year	-10,000	-5,794
VAT Shelter	-20,000	0
Capital Reserve Fund**		-437,865
Capital Receipts		-22,744
Total	-57,020	-484,462

** The recommended minimum level of this reserve is £350,000

5 NEW SCHEME BIDS RECEIVED

5.1 Heads of Service were asked to review the current programme and submit any new scheme bids for consideration. A summary of these new bids and amendments to the previously approved capital programme is shown in the table below, however they are shown in more detail at Annex 2.

Committee Expenditure	2014/15	2015/16	2016/17	TOTAL
Community Services	106,290	15,000	399,250	520,540
Planning and Development	26,300	110,000		136,300
Policy and Finance	167,500	88,900	11,250	267,650
Health and Housing	80,540	112,000	471,000	663,540
Total	380,630	325,900	881,500	1,588,030

5.2 As the capital programme has already been approved for 2014/15 and 2015/16 last year, we would not normally anticipate new bids for these years unless new funding had been identified, or there were circumstances unforeseen at this time last year. However, almost 45% of the bids submitted related to 2014/15 and 2015/16.

5.3 Based on the available resources as detailed in the previous section of the report, it was not possible for all of the bids to be approved in to the forward capital programme.

6 CMT AND BWG RECOMMENDATIONS

- 6.1 Corporate Management Team and the Budget Working Group have met on several occasions earlier in January 2014 to discuss the existing capital programme and the new bids that had been submitted.
- 6.2 Based on the bids that had been submitted it was clear that the proposals in their entirety were unaffordable and that there was a need to review the bids that had been submitted in order to arrive at an affordable and achievable capital programme.
- 6.3 The recommendations of both CMT and the BWG are detailed at Annex 3 however a summary is shown in the table below.

Financial Impact of CMT and BWG Recommendations		£
Capital bids submitted and reported to Service Committees		1,588,030
Resources Available		-586,000
Excess Bids/Shortfall in Resources		1,002,030
CMT/BWG Recommendations – Review of Bids		-634,990
CMT/BWG Recommendations – Review of Resources		-445,040
Balance of Available Resources – to be added to Capital Reserve		-78,000

7 CAPITAL BUDGETS MOVED FROM 2013/14 TO 2014/15

- 7.1 As shown in the Revised Capital Programme 2013/14 report elsewhere on the agenda, some capital budget is recommended for transfer to the 2014/15 financial year. This action is recommended following detailed discussions with Budget Holders as the service is currently unlikely to commit the current year's full budget by the end of March 2014. The amounts involved are shown in the table below.

Cost Centre	Scheme Title	Total Approved Budget 2013/14	Revised Estimate 2013/14	Budget Moved to 2014/15
DISCP	Disabled Facilities Grants	191,650	181,650	10,000
LANGR	Landlord/Tenant Grants	115,690	95,690	20,000
REPPF	Repossession Prevention Fund	36,160	9,140	27,020
		343,500	286,480	57,020

7.2 All associated resources to finance this transfer of budget will also be carried forward to the 2014/15 financial year and therefore this action has no impact on the affordability of the 2014/17 Forward Capital Programme. Details of the financing to be used for these schemes is detailed below:

- **Disabled Facilities Grants:** *Unapplied Disabled Facility Grant funding from DCLG £10,000*
- **Landlord/Tenant Grants:** *VAT Shelter monies transferred into the Capital Reserve £20,000*
- **Repossession Prevention Fund:** *Government Repossession Prevention Grant of £27,020*

8 FINAL PROPOSED CAPITAL PROGRAMME FOR 2014/15 TO 2016/17

8.1 After taking into consideration the existing capital programme for 2014/15-2015/16, the new scheme bids that have been submitted and the CMT and BWG recommendations, the final proposed capital programme is summarised below, and is shown in detail by scheme at Annex 4.

Committee	2014/15			2015/16 £	2016/17 £
	2014/15 £	Moved from 2013/14 £	Total for 2014/15 £		
Community Services	110,000		110,000	404,000	227,000
Policy and Finance				282,500	
Health and Housing	205,540	57,020	262,560	236,000	411,000
TOTAL	315,540	57,020	372,560	922,500	638,000

8.2 The final proposed financing of the capital scheme is shown in the table below

Resources	2014/15			2015/16 £	2016/17 £
	2014/15 £	Moved from 2013/14 £	Total for 2014/15 £		
S106 monies or Future CIL	-40,000		-40,000	-40,000	
Disabled Facility Grant Funding	-119,540	-10,000	-129,540	-161,000	-161,000
Repossession Prevention Fund		-27,020	-27,020		
VAT Shelter	-86,000	-20,000	-106,000	-424,000	-225,000
Capital Reserve				-15,000	
New Homes Bonus	-45,000		-45,000	-48,000	-77,000
External Funding	-25,000		-25,000	-60,000	
Revenue Contributions				-7,000	
Borrowing				-167,500	-175,000
TOTAL	-315,540	-57,020	-372,560	-922,500	-638,000

8.3 The impact of the proposals on the capital reserve is shown below

Capital Reserve	2014/15 £	2015/16 £	2016/17 £
Opening Balance	-437,865	-515,865	-500,865
Added to Reserve from New Homes Bonus – Balance of Available Resources not Needed	-78,000	0	0
Taken from Reserve	0	15,000	0
Closing Balance	-515,865	-500,865	-500,865
Recommended Minimum Balance	-350,000	-350,000	-350,000

9 CONCLUSION

9.1 Committees have considered the bids that have been put forward for their services in the January committee cycle.

9.2 It is clearly unaffordable for us to agree for all new scheme bids to be included in our approved capital programme.

9.3 CMT and the Budget Working Group have met on several occasions and have made recommendations in order to provide a capital programme for 2014/15 to 2016/17 that is both affordable and achievable.

10 RECOMMENDED THAT SPECIAL POLICY AND FINANCE COMMITTEE

10.1 Recommend to Council the Capital Programme for 2014/17 as set out in Annex 4

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF14-14/LO/AC
3 February 2014

**CAPITAL PROGRAMME PREVIOUSLY APPROVED FOR 2014/15 TO
2015/16**

EXISTING SCHEMES	2014/15 £	2015/16 £
<u>Community Services Committee – Existing Schemes</u>		
Play Area Improvements	40,000	40,000
Replace Scag Mower		9,000
Replacement of 2 Tri Star Mowers		16,000
Replacement of 4x4 Tractor/Mower (PN04 NPZ)		17,000
Replacement of Kuboto Mower PN05 PLO		19,000
Two Heavy Goods Trailers		6,000
Replacement of Geesink 26t RP HGV Refuse Collection Vehicle		200,000
Replacement of multi-Use Panel Van (currently Vauxhall Vivaro)		12,000
Replacement of Waste Transfer Station Loader Shovel		70,000
Total Community Services Committee	40,000	389,000
<u>Policy and Finance Committee – Existing Schemes</u>		
Clitheroe Townscape Scheme		115,000
Total Policy and Finance Committee	0	115,000
<u>Health and Housing Committee – Existing Schemes</u>		
Landlord/Tenant Grants	75,000	75,000
Disabled Facilities Grants	109,000	109,000
Replacement of Pest Control Vehicle PO07 WPB	11,000	
Total Health and Housing Committee	195,000	184,000
Subtotal of Existing Schemes	235,000	688,000

FINANCING	2014/15 £	2015/16 £
Revenue - Earmarked Reserves	-11,000	-349,000
Disabled Facility Grants	-109,000	-109,000
New Homes Bonus		-48,000
External Funding and Revenue Contributions (Clitheroe Townscape)		-67,000
S106 Agreements (CIL in future years) - possible use of revenue	-40,000	-40,000
VAT Shelter	-75,000	-75,000
Total	-235,000	-688,000

ALL NEW SCHEME BIDS AS SUBMITTED BY HEADS OF SERVICE

NEW SCHEME BIDS	2014/15 £	2015/16 £	2016/17 £	Total £
<u>Community Services Committee</u>				
Asbestos Abatement	12,000			12,000
All Weather Pitch Lighting and Barrier			17,000	17,000
Castlefield Toilets – Refurbishment Scheme	33,000			33,000
Ribblesdale Pool Reception – Refurbishment Scheme			50,250	50,250
Replacement of Scag Mower with equivalent spec vehicle			10,000	10,000
Replacement of John Deere Gang Mower Tractor (PN05 UKE) with an equivalent spec vehicle			45,000	45,000
Replacement of 2 x Open Backed Single Bodied Paper Collection Vehicle (VX55 KXD & VU06 TKN)			30,000	30,000
Replacement of MAN 7.7 RO-RO Truck (PN06 FRV) with an equivalent spec vehicle			38,000	38,000
Replacement of Salthill Depot Multi Use Fork Lift Truck			25,000	25,000
Replacement of Works Section Small Van – ford Transit PF09 DHX (Toilet Van) with an equivalent spec vehicle			12,000	12,000
Replacement of RCV PN05 PWL 12 Tonne Garwood with suitable equivalent spec vehicle			120,000	120,000
Replacement of Works Section Panel Van PK06 HKA (currently Vauxhall Vivaro) with a smaller van			12,000	12,000

ALL NEW SCHEME BIDS AS SUBMITTED BY HEADS OF SERVICE

NEW SCHEME BIDS	2014/15 £	2015/16 £	2016/17 £	Total £
Installation of 3G Artificial Pitch Surface to replace the 3 x Tennis Court Existing Artificial Surface (External Funding £25,000)	47,000			47,000
Artificial Pitch Improvement Work (Alternative to Scheme 16)	14,290			14,290
Play Area Improvements			40,000	40,000
Replacement of Geesink 26t RP HGV Refuse Collection Vehicle - Request for Additional Funding		10,000		10,000
Replacement of Waste Loader - Request for Additional Funding		5,000		5,000
Total Community Services Committee	106,290	15,000	399,250	520,540
<u>Planning and Development Committee</u>				
Site Allocation Work	26,300			26,300
CIL Consultancy Work		110,000		110,000
Total Planning and Development Committee	26,300	110,000	0	136,300
<u>Policy and Finance Committee</u>				
Council Offices – Re-roofing Scheme	167,500			167,500
Council Offices – Window and Rooflight Replacement Scheme		88,900		88,900

ALL NEW SCHEME BIDS AS SUBMITTED BY HEADS OF SERVICE

NEW SCHEME BIDS	2014/15 £	2015/16 £	2016/17 £	Total £
Council Chambers – Seating Renewal Scheme			11,250	11,250
Total Policy and Finance Committee	167,500	88,900	11,250	267,650
<u>Health and Housing Committee</u>				
Purchase and Repair	30,000			30,000
Landlord Tenant Grants			120,000	120,000
Disabled Facilities Grants (External Funding £161,000)			161,000	161,000
Boiler Replacement Scheme	15,000	15,000	15,000	45,000
Clitheroe Market improvement Scheme			175,000	175,000
Landlord Tenant Grants - Request for Additional Funding	25,000	45,000		70,000
Disabled Facilities Grants - Request for Additional Funding	10,540	52,000		62,540
Total Health and Housing Committee	80,540	112,000	471,000	663,540
Total of New Scheme Bids and Requests for Additional Funding	380,630	325,900	881,500	1,588,030

CMT AND BUDGET WORKING GROUP RECOMMENDATIONS

	£	£
<u>Schemes</u>		
Capital bids submitted and reported to Service Committees		1,588,030
<u>Resources</u>		
VAT Shelter – For Housing Schemes	-75,000	
VAT Shelter – For Other Schemes	-150,000	
New Homes Bonus	-200,000	
Better Care Funding – For Disabled Facility Grants	-161,000	
Total Resources Available		-586,000
Excess Bids/Shortfall in Resources		1,002,030
<u>CMT/BWG Recommendations – SCHEME BIDS</u>		
<i>Council Offices Reroofing scheme</i> Scheme to be moved from 2014/15 to 2015/16	0	
<i>Asbestos Abatement Scheme</i> Scheme to be Deleted	-12,000	
<i>All Weather Pitch Lighting and Barrier</i> Scheme reduced to be just for lighting	-2,000	
<i>Castle Field Toilets Refurbishment</i> The existing scheme for play areas in 2014/15 be reduced by £10,000 to help fund the Castle Field Toilets Refurbishment	-10,000	
<i>Council Offices Windows and Rooflights Replacement</i> Scheme to be Deleted	-88,900	
<i>Ribblesdale Pool Reception Refurbishment</i> Scheme to be Deleted	-50,250	
<i>Council Chambers Seating Renewal</i> Scheme to be reprogrammed to 2017/18 and future scheme to include tables. However, sound issues to be resolved in the shorter term from revenue	-11,250	
<i>Replacement of Garwood Refuse Vehicle</i> Scheme to be reprogrammed to 2017/18	-120,000	
<i>Artificial Pitch Improvement Works</i> Scheme to be Deleted	-14,290	
<i>Purchase and Repair Scheme</i> Scheme to be Deleted	-30,000	
<i>Landlord Tenant Grants 2016/17</i> Reduce scheme to be £75,000 per annum	-45,000	
<i>Boiler Replacement Grant Scheme</i> Scheme to be Deleted	-45,000	
<i>Site Allocation Work</i> Scheme to be Deleted	-26,300	
<i>CIL Consultancy Work</i> Scheme to be Deleted	-110,000	
<i>Landlord Tenant Grants - Additional Funding 2014/15 and 2016/17</i> Request to be Deleted	-70,000	
IMPACT OF REVIEW OF BIDS		-634,990

CMT AND BUDGET WORKING GROUP RECOMMENDATIONS

	£	£
<u>CMT/BWG Recommendations – RESOURCES</u>		
<i>Council Offices Reroofing scheme</i> Use of Borrowing to fund this scheme	-167,500	
<i>Clitheroe Market Improvements</i> Use of Borrowing to fund this scheme	-175,000	
<i>Installation of 3G Artificial Pitch Surface</i> External Funding from Sport England	-25,000	
<i>Disabled Facility Grants</i> Increased Grant funding now due to be received from DCLG in 2014/15 and 2015/16	-62,540	
<i>Replacement Geesink Refuse Vehicle – Additional Funding 2015/16</i> Use of Capital Reserve	-10,000	
<i>Replacement of Waste Loader Vehicle – Additional Funding 2015/16</i> Use of Capital Reserve	-5,000	
IMPACT OF REVIEW OF RESOURCES		-445,040
Balance of Available Resources Not Needed To be added to Capital Reserve		-78,000

FINAL PROPOSED CAPITAL PROGRAMME 2014/15 TO 2016/17

ANNEX 4

Schemes	2014/15 £	Budget Moved from 2013/14 £	Total for 2014/15 £	2015/16 £	2016/17 £
<u>Community Services Committee</u>					
Play Area Improvements	30,000		30,000	40,000	40,000
Castlefield Toilets Refurbishment Scheme	33,000		33,000		
Installation of 3G Artificial Pitch Surface	47,000		47,000		
Replacement of Geesink 26t RP HGV Refuse Collection Vehicle				210,000	
Replacement of 4 x 4 Tractor/Mower (PNO4 NPZ)				17,000	
Replacement of Kubota Mower PN05 PLO				19,000	
Replace Scag Mower				9,000	
Two Heavy Goods Trailers				6,000	
Replacement of 2 Tri Star Mowers				16,000	
Replacement of Waste Transfer Station Loader Shovel				75,000	
Replacement of multi use panel van (currently Vauxhall Vivaro)				12,000	
All Weather Pitch Lighting					15,000
Replacement of Scag Mower with equivalent spec vehicle					10,000
Replacement of John Deere Gang Mower Tractor (PN05 UKE)					45,000
Replacement of 2 x Open Backed Single Bodied Paper Collection Vehicle (VX55 KXD & VU06 TKN)					30,000
Replacement of MAN 7.7 RO-RO Truck (PN06 FRV) with equivalent spec vehicle					38,000

FINAL PROPOSED CAPITAL PROGRAMME 2014/15 TO 2016/17

ANNEX 4

Schemes	2014/15 £	Budget Moved from 2013/14 £	Total for 2014/15 £	2015/16 £	2016/17 £
Replacement of Salthill Depot Multi Use Fork Lift Truck					25,000
Replacement of Works Section Small Van -Ford Transit PF09 DHX (Toilet Van)					12,000
Replacement of Works Section Panel Van PK06 HKA (currently Vauxhall Vivaro) with a smaller van					12,000
Total Community Services Committee	110,000	0	110,000	404,000	227,000
<u>Policy and Finance Committee</u>					
Clitheroe Townscape Scheme				115,000	
Council Offices - Re-roofing Scheme				167,500	
Total Community Services Committee	0	0	0	282,500	0
<u>Health and Housing Committee</u>					
Replacement of Pest Control Vehicle PO07 WPB	11,000		11,000		
Disabled Facilities Grants - moved from 2013/14	119,540	10,000	129,540	161,000	161,000
Landlord/Tenant Grants - moved from 2013/14	75,000	20,000	95,000	75,000	75,000
Repossession Prevention Fund - moved from 2013/14		27,020	27,020		
Clitheroe Market Improvements					175,000
Total Community Services Committee	205,540	57,020	262,560	236,000	411,000
Total for all Committees	315,540	57,020	372,560	922,500	638,000

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 11 FEBRUARY 2014
 title: OVERALL REVENUE BUDGET 2014/15
 submitted by: DIRECTOR OF RESOURCES
 principal author: JANE PEARSON

1 PURPOSE

- 1.1 To approve the revised revenue budget for 2013/14.
- 1.2 To reconsider whether to implement an empty homes council tax premium (50%) on properties empty for more than two years
- 1.3 To consider and recommend a revenue budget, budget requirement and precept for 2014/15 to Full Council on 4 March 2014.

2 CURRENT YEAR'S REVISED BUDGET 2013/14

Background

- 2.1 The revised budget for 2013/14 has now been prepared. Committees, during this cycle, have reviewed their estimates and the reasons for any significant changes.
- 2.2 The 2013/14 budget included provision for price increases of 2.5% and a potential pay award of 1%. This has proved reasonably accurate.
- 2.3 The revised budget is now looking as if there will be a reduction of £277k in net expenditure. This is shown in the summary below.

	Original Estimate 2013/14 £	Restated Original Estimate 2013/14 £	Revised Estimate 2013/14 £
<i>Committee Expenditure</i>			
Planning & Development	555,260	715,360	899,570
Community	3,316,550	3,362,080	3,345,290
Health and Housing	800,430	797,440	729,550
Policy & Finance	1,739,870	1,749,980	1,804,630
Total of Committees	6,412,110	6,624,860	6,779,040
<i>Capital Adjustments</i>			
Less Depreciation (included in above)	-684,780	-684,780	-677,920
Add Minimum Revenue Provision (MRP)	145,330	145,330	136,830
Total Expenditure	5,872,660	6,085,410	6,237,950
<i>Other Items</i>			
External Interest Payable	16,460	16,460	16,460

	Original Estimate 2013/14 £	Restated Original Estimate 2013/14 £	Revised Estimate 2013/14 £
Interest Earned	-29,140	-29,140	-29,620
Council Tax Freeze Grant	-31,610	-31,610	-31,472
Localisation of Council Tax Support – grant paid to parishes	23,000	23,000	23,000
Localisation of Council Tax Support – transition grant	-5,780	-5,780	-5,779
Efficiency Support Grant for Services in Sparse Areas (ESSSA)	-9,901	-9,901	-9,901
New Homes Bonus	-367,700	-367,700	-367,700
New Homes Bonus Adjustment Grant	-10,029	-10,029	-10,029
Business Rate Growth to be retained by RVBC	-47,165	-47,165	-47,165
50% of Estimated SBRR S31 Grant	0	0	-169,039
Transfer From/To Various Funds (See Annex 1)	634,255	451,505	191,124
Net Expenditure	6,045,050	6,075,050	5,797,829
Adjustment to Balances to Get to Agreed Budget	-146,023	-176,023	101,198
Agreed budget for year	5,899,027	5,899,027	5,899,027

Change in Committee Expenditure

- 2.4 During the year a number of virements have taken place and also a supplementary estimate approved in respect of bringing the waste paper and card collection service in-house. Details of these changes to the original estimate have been reported to service committees as part of their budget reports. These changes are all reflected in the 'Restated Original Estimate'
- 2.5 In summary, committee expenditure has increased by £154k. However this is before appropriations to and from earmarked reserves (eg the Planning reserve fund).
- 2.6 Obviously, in a total budget of almost £6m there are many variations during the course of a year. Each committee, in considering its revised budget, has been given details for any differences.
- 2.7 The **main** ones are as follows:

	£'000
Increased Income	
Working Families Project – Extra Grant	-10
CSP – Grant from Police & Crime Commissioner	-10
Planning Policy – Income Neighbourhood Plans	-5
Council Tax Benefit Overpayments under old system	-78
Increased Housing Benefit Subsidy	-116

	£'000
Increase council tax summonses	-9
<u>Decreased Income</u>	
Reduced Recycling Credits	15
Building Control – Reduced Income	7
Reduced income from symphony Homes in respect of the VAT shelter	68
<u>Reduced Expenditure</u>	
Employee & Vehicle Costs – Paper Collection	-49
Community Safety Partnership	-10
Building Control	-9
<u>Increased Expenditure</u>	
Compensation to RV Homes Riddings Lane	20
Increased Housing Benefits	116
Council Tax Benefit awarded (old scheme)	22
Community – Extra staff	18
Repairs Public Conveniences	11
Rental Costs including backdating Church Walk, Railway View Car Park	32
Recreation Grants from previous year not spent until 2013/14	22
Planning Appeal Costs	142
Emergency Tree Work	6
Forest of Bowland Bridge Repairs	5
Warm Homes scheme c/fwd from previous year spent in 2013/14	30
Organisational & Member Development – lower staff turnover	5
Grants to voluntary bodies to be funded from extra government grant	13
<u>Reduced Depreciation</u>	-7
<u>Net Other Movements</u>	-7
Net Increase in Committee Expenditure Forecast for 2013/14 RE	154

Movement in Other items

2.8 Other Items show movements as follows:

Other Items	Restated Original Estimate 2013/14 £000	Revised Estimate 2013/14 £000	Difference £000
Interest Payable	16	16	0
Minimum Revenue Provision	145	137	-8
Depreciation	-685	-678	7
Interest Earned on Investments	-29	-30	-1
Council Tax Freeze Grant	-32	-31	1
Local Council Tax Support – Payment of grant to parishes	23	23	0
Local Council Tax Support – Transition Grant	-6	-6	0
ESSSA	-10	-10	0
New Homes Bonus Grant	-378	-378	0
Business Rate Growth	-47	-47	0
50% Estimated SBRR Grant	0	-169	-169
Net change	-1,003	-1,173	-170

2.9 The main variation relates to the Section 31 Grant received in January which is a grant from the Government to recompense the Council for the cost of the further 50% extension to Small Business Rate Relief upto 31 March 2014 and also Empty Property Rate Relief.

Movement in Earmarked Reserves

2.10 Annex 1 shows the forecasted transfers to and from earmarked reserves compared with the restated original estimate. In summary the net position is that we anticipate adding £260k less to earmarked reserves in the current year than originally forecasted.

Overall Changes

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

	Difference £000
Committees	154
Other Items	-171
Use of Earmarked Reserves	-260
Net change	-277

2.12 This shows that the Council has in effect 'saved' or benefitted from £277k compared with the original estimate. Therefore **instead of taking** £176k from general fund balances at the end of the year, based on these revised estimates we **would be adding** £101k to balances.

3 THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

Provisional Grant Settlement

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

Settlement Funding Assessment	2,603,415
Consists of:	
Revenue Support Grant	1,397,190
Business Rates Baseline (Target)	1,206,225

- 3.2 We expect to receive notification of the final settlement figures in early February. We will report our final figures to you at your meeting if possible.

Future Years Government Funding

- 3.3 The Government have also announced *illustrative* grant figures for 2015/16. These show considerable further reductions to our central government support.

Analysis of change in Grant Funding from 2013/14 to 2014/15 and 2015/16					
	2013/14	2014/15	Reduction	2015/16	Reduction
	£	£	£/%	£	£/%
Revenue Support Grant	1,778,495	1,397,190		964,494	
Business Rates Baseline	1,183,184	1,206,225		1,239,518	
	2,961,679	2,603,415	-358,264	2,204,012	-399,403
			-12%		-15%

- 3.4 The Budget Working Group are obviously very concerned about these further reductions and will be meeting early in the new financial year to consider the Council's future budget position.

Local Council Tax Support

- 3.5 The Council agreed a Local Council Tax Support Scheme (LCTS) which came into effect on 1 April 2013.
- 3.6 Our scheme was set to cap the maximum reduction in support for working age claimants to 12% each year. Late in the day the Government announced a one off transition grant for those authorities who agreed to set the maximum reduction at 8.5%. As you know this Council agreed to accept the grant and hence limit the reduction to 8.5% for 2013/14.
- 3.7 As the transition grant was for one year only our reduction in support to working age claimants has now reverted back to the agreed percentage set of 12%. This was agreed by your Committee in November.
- 3.8 Importantly Council Tax Support is now awarded as a discount against an individual's council tax bill. This means that the cost of our council tax support scheme impacts on how we calculate our tax base.

- 3.9 The Government have again asked authorities to allocate funding from within their grant settlement to pass on to parishes to compensate them for the impact of our scheme on their tax bases. This has proved a contentious issue nationally as it is not clear just how much funding is within the grant settlement given this grant was 'rolled-up' last year. Some authorities have decided not to pass on funding. We have however allocated grants to individual parishes based an estimated amount of grant funding within our grant settlement. We have asked parishes to take this funding into account when setting their parish precepts.

Council Tax Base

- 3.10 The *Local Government Finance Act 2012* allowed changes to the discounts on council tax for second homes and empty properties and such gives Councils greater flexibilities when setting their discounts. From 1 April 2013, second homes may be charged 100% of their normal rate of council tax, instead of the previous maximum of 90%.
- 3.11 "Unoccupied and substantially unfurnished" properties are subject to a discount of anything between 0% and 100% of their council tax, at the discretion of the billing authority. Properties undergoing "major repair work" or "structural alteration", which are vacant, can be subject to a discount of any amount between 0% and 100%, for a maximum of 12 months. The full 50% discount must be retained on a second home where the liable person is required as part of his/her employment to live in job-related accommodation.
- 3.12 From 1 April 2013, local authorities can also set an 'empty homes premium' for long-term empty properties. Properties which have been unoccupied and substantially unfurnished for over two years may be charged up to 150% of the normal liability.
- 3.13 The Council decided when setting the 2013/14 tax base to leave the rates of our current discounts/exemptions unchanged mainly because of the introduction of the local council tax support scheme and the impact this would have on our tax base calculation.
- 3.14 We did however agree to keep the technical changes under review and the Budget Working Group at its October meeting considered the new flexibilities and recommended that we implement the following with effect from 1 April 2014:
- ❖ For long term empty properties (empty from 6 months up to 2 years) remove the current 50% discount which will mean owners are liable for the full 100% council tax due
 - ❖ Implement an empty homes premium of a further 50% for those properties still empty after a 2 year period
- 3.15 You considered this issue at your meeting in November and recommended to Full Council that we implement the changes at 3.14. Full Council ratified this in December. Since then we have written to all home owners potentially affected by the changes. We have received a number of objections from owners who are clearly very unhappy with the forthcoming changes particularly in respect of the empty homes premium.
- 3.16 At this stage I would ask Committee to confirm that they are still happy for the changes to our discounts on long term empty properties specifically the 50% premium to go ahead. At your meeting I will provide further information.
- 3.17 I have calculated the council tax base in accordance with proper practices and have allowed for the impact of our Local Council Tax Support Scheme mentioned above. Our

council tax base for 2014/15 is 21,391. This compares with the current tax base of 21,053 in 2013/14.

3.18 A breakdown of the calculation showing the tax base by parish is shown in Annex 4.

4 COLLECTION FUND

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

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

4.2 Following the introduction of the Business Rates Retention Scheme (BRRS) which is also operated via our Collection Fund we will also now have a surplus or deficit in respect of Business Rates at the end of each financial year

4.3 I have already assessed the potential surplus/deficit on the collection fund relating to council tax. I estimate the Collection Fund will produce a surplus of £76,760 this year. This consists of a surplus for council tax of £1,455 and a surplus forecast in respect of Business Rates of £75,305

4.4 The Council Tax surplus will be shared amongst all the major precepting authorities. Our share of the surplus is £228.

4.5 The Business Rates surplus forecast will be shared between the Government, Lancashire County Council, Lancashire Combined Fire Authority and ourselves in 2014/15. Our share will be £30,122.

4.6 A statement showing the Collection Fund is attached at Annex 2.

5 REVENUE BUDGET 2014/15

Background

5.1 The announcement of the Finance Settlement confirms that local government continues to bear the brunt of public spending cuts in this Spending Review period. The Autumn Statement promises that cuts will continue at least until 2018.

5.2 The past twelve months have proved to be dynamic in terms of major changes affecting local government finances.

- ❖ Retention of Business Rates
- ❖ Localising Support for Council Tax
- ❖ Council Tax Reforms

Council Tax Freeze Grant/Capping

- 5.3 The Government have announced that they will once again offer funding to council's who freeze their council tax in 2014/15. The funding offered equates to a 1.0% increase in council tax foregone and will be paid as a grant in 14/15. Thereafter the Government say the grant will be rolled up into our grant settlement.
- 5.4 Very disappointingly the Government have yet to formally announce referendum criteria/capping limits (at the time of writing this report). There have been rumours this could be 1.5% however we await notification.
- 5.5 Our current Band D tax is £140.69 and is in the bottom quartile of all councils. You will recall in 2013/14 such councils were given a dispensation from the referendum limit of 2%. These councils could increase their tax by £5 which in our case would've been an increase in percentage terms of 3.6% before the need to hold a referendum applied. If such a permission was repeated for 2014/15 and members supported such an increase this would raise £107,000 (£5 x 21,391). Thereafter the council would benefit from the full amount each year.
- 5.6 The Budget Working Group considered the Government's freeze grant offer and recommended that we prepare our budget based on a council tax freeze. This would mean we would be eligible to receive a freeze grant of approximately £31,560.

New Homes Bonus Scheme

- 5.7 The New Homes Bonus (NHB) scheme commenced in April 2011, and match funds the additional council tax raised for new homes and empty properties brought back into use, with an additional amount for affordable homes, for the following six years. The grant is calculated based on the movement of dwellings in council tax base retrospectively October to October.
- 5.8 The New Homes Bonus grant is shared 80:20 between district and county councils in two tier areas and is un-ringfenced. The Government state that New Homes Bonus is a powerful, simple and transparent incentive for housing growth.
- 5.9 In July a consultation paper was issued by the Government which proposed pooling £400 million of New Homes Bonus through local enterprise partnerships to support strategic housing and other local economic growth priorities. This would've resulted in considerably lower grant levels for this Council via the NHB scheme. The Government however pleasingly announced as part of the Autumn Statement 2013 that this top-slice would not take place.
- 5.10 Our provisional allocation for next year was £576,563, however we have again managed to successfully challenge the impact of council tax rebandings on our new homes bonus and I am pleased to advise that our final allocation is £594,807. We will receive this higher amount for six years.

Use of New Homes Bonus monies												
		Received in year										
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Relates to:	2011/12	62,046	62,046	62,046	62,046	62,046	62,046					
	2012/13		117,599	117,599	117,599	117,599	117,599					
	2013/14			188,053	188,053	188,053	188,053	188,053	188,053			
prov alloc	2014/15 in Dec 13				227,109	227,109	227,109	227,109	227,109	227,109		
						x	x	x	x	x	x	
							y	y	y	y	y	y
	Available	62,046	179,645	367,698	594,807	594,807	594,807	532,761	415,162	227,109	?	?
Allocated:												
Revenue	base budget	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capital	to fund econ dev	0	100,000	0	0	0	0	0	0	0	0	0
		60,000	160,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
	Spare ie unallocated	2,046	19,645	307,698	534,807	534,807	534,807	472,761	355,162	167,109	?	?

Budget Requirement

5.11 As last year, we are therefore already in a position where we know our 2014/15 council tax and therefore what our budget requirement needs to be, assuming you accept the Budget Working Group's recommendation to freeze our council tax. Our Budget Requirement is therefore calculated as follows,

	£	£
Taxbase	21,391	
Band D	140.69	
Precept (ie amount raised from council tax)	3,009,500	3,009,500
Council Tax Surplus		228
Settlement Funding Assessment		2,603,415
Our Maximum Budget 2014/15		5,613,143

Base Budget Position

Introduction

5.12 Each committee has been asked to prepare their budget on the basis of no increase in the level of spending in real terms. The budgets do include provision price increases of 2.75% and pay increases of 1%. Fees and charges have also been reviewed by committees and have been increased by at least the rate of inflation where feasible, with the exception of car parking charges which have been frozen. At the time of your meeting all committees will have considered their draft budgets for next year.

Provisional Base Position

5.13 The provisional base position for next year as submitted to service committees is shown below, compared with the original budget for 2013/14.

	Original Estimate 2013/14 £	Original Estimate 2014/15 £
Committee Expenditure		
Planning & Development	555,260	578,290
Community	3,316,550	3,480,480
Health and Housing	800,430	833,090
Policy & Finance	1,739,870	1,869,690
Total of Committees	6,412,110	6,761,550
Capital Adjustments		
Less Depreciation (included in above)	-684,780	-725,170
Add Minimum Revenue Provision (MRP)	145,330	135,960
Total Expenditure	5,872,660	6,172,340
Other Items		
External Interest Payable	16,460	13,200
Interest Earned	-29,140	-28,790
Council Tax Freeze Grant	-31,610	?
New Homes Bonus	-367,700	-594,807
New Homes Bonus Adjustment Grant	-10,029	0
Efficiency Support for Services in Rural Areas	-9,901	0
Business Rate Retention Scheme Growth share	-47,165	?
Localisation of Council Tax Support - Payment to Parishes	23,000	17,034
Localisation of Council Tax Support - Transitional Grant	-5,780	0
Transfer From/To Various Funds (See Annex 3)	634,255	752,432
Net Expenditure	6,045,050	6,331,409
Adjustment to Balances to Get to Agreed Budget	-146,023	-718,266
Agreed budget for year	5,899,027	5,613,143

Comments on Next Year's Base Revenue Budget

Committee Expenditure

5.14 The net effect, as shown in the above summary, is that committee has increased by £349k (before allowing for the use of earmarked reserves). The reasons for this, again, are varied and have been reported to service committees in the budget reports. In summary the main reasons for this are as follows;

	£'000
<u>Increased Income</u>	
Planning Fees	-34
Housing Benefit Subsidy	-14
Land charges	-4
<u>Decreased Income</u>	
Building Control	12
Council Tax Support Admin Grant	13
Housing Benefit Admin Grant	12
Reduced VAT shelter receipts	78
Reduced recycling credits	15
<u>Reduced Expenditure</u>	
Building Control Training	-1
Meals on wheels (net position)	-3
<u>Increased Expenditure</u>	
Housing Benefit payments	14
Staffing costs – Community Committee	37
Increased pension costs	76
Performance Reward Grant Schemes to be met from reserve	16
<u>Increased Depreciation</u>	
Community committee	41
<u>Net Other Movements</u>	
Planning inflation (net)	-16
Health & Housing inflation (net)	-8
Community inflation (net)	64
Policy & Finance inflation (net)	64
Net Change in Committee Expenditure Forecast for 2014/15 OE	362

Movement of Other items

5.15 When we prepared our original estimate for 2013/14 we anticipated 'other items' would reduce our net budget by £461,900 however our draft budget for next year anticipates these will reduce our budget by £593,400. This is a difference of £131,500 and can be explained below.

Other Items	£000
Additional New Homes Bonus	-217
Lower external interest payable	-3
2013/14 Freeze Grant**	31
Efficiency Support in Sparse Areas Grant**	10
** (both of these have now been built into our settlement)	
Business Rate Growth (at this stage none built in for 2014/15)	47
Net Total reduction in other items	-132

6 BUSINESS RATE RETENTION SCHEME (BRRS)

- 6.1 The changes to how we are funded from Business Rates have been major and there is still considerable uncertainty in just how much income we will retain in respect of the current year. This is largely because guidance from the Government continues to be issued.
- 6.2 According to our NNDR1 return which we submitted to the Government on 31/1/14 we anticipate our share of business rates for next year as follows:

	2014/15
Calculation of any growth to be retained	£
Our share of NNDR1 Business Rates Yield	5,589,528
less Tariff Payment	4,244,345
= retained Rates Income	1,345,183
<i>Compares with</i>	
Baseline Funding Level	1,206,225
Levy due on growth above baseline	138,958
Less Levy at rate above (50p in £)	69,479
= growth retained	69,479

- 6.3 This shows that **based on our NNDR1 return** we expect to retain business rates income of:

- ❖ Our baseline funding level £1,206,225
- ❖ Plus our share of growth £69,479
- ❖ Total Business rates income expected for Ribble Valley = £1,275,704

Section 31 Grant

- 6.4 The Government announced a number of measures to aid business ratepayers as part of the Autumn Statement 2013. These are:
- ❖ the Retail Price Index increase in 2014/15 will be capped at 2% instead of 3.2%;
 - ❖ the doubling of the Small Business Rate Relief will be extended for a further 12 months until 31 March 2015;

- ❖ ratepayers receiving Small Business Rate Relief that take on an additional property which would currently disqualify them from receiving relief will continue to receive their existing relief for 12 months;
 - ❖ a discount of £1000 for shops, pubs and restaurants with a rateable value below £50,000 for two years up to the state aid limits, from 1 April 2014;
 - ❖ a 50 per cent business rates relief for 18 months - between 1 April 2014 and 31 March 2016 - for businesses that move into retail premises that have been empty for a year or more;
 - ❖ ratepayers will be allowed to elect to pay bills over 12 instalments instead of ten; and
- 6.5 The £1,000 discount and reoccupation relief will be delivered through authority local discount powers (under s47 of the Local Government Finance Act 1988). Local Authorities will be refunded for the loss in receipts as a result of these measures. This will be via Section 31 grants.
- 6.6 Based on the estimates we have included within our NNDR1 return for the impact of these measures we could expect to receive a Section 31 grant of £605k. However the Government issued guidance within the last two weeks which suggests the payment of this grant will need to be reflected in individual authorities' levy calculations (which determine how much growth will be retained). Based on our current estimates we could expect to retain half of the £605k grant ie £302k.

2013/14 Share of Business Rates surplus or deficit

- 6.7 We also have to calculate whether there is a surplus or deficit on the collection fund in respect of business rates. This is then distributed/recovered in the following financial year for all parties. Based on NNDR1 we anticipate our share of the surplus in respect of 2013/14 to be paid in 2014/15 is £15,061 (after forming part of our levy calculation).

Volatility and Uncertainty

- 6.8 I must stress due to the lateness and continual changes to Government Guidance regarding how the BRRS will work I would hesitate caution in relying on our business rate income estimates.
- 6.9 Also there are further uncertainties surrounding issues such as appeals and growth estimates which also connote these figures should be treated with caution. The very worst case scenario is that we would receive business rates at our safety net threshold level of £1,115,758. How much we should rely on to support our base revenue budget is a matter for professional judgement and has been considered by the BWG. Whilst we do need to include these estimated amounts for Section 31 Grant, Growth and share of any surplus within our budgets following submission of NNDR1 **I would not recommend relying on the full amount to support our revenue budget. Instead I would recommend adding a significant amount of the total estimated income to the business rates volatility earmarked reserve.**

7 REVENUE BUDGET 2015/16 AND BEYOND

- 7.1 In addition to considering our budget for 2014/15 we need to be conscious of the challenges also facing us the year after.
- 7.2 As stated earlier, the Government has also announced an *illustrative* provisional grant settlement for 2015/16 which shows a further reduction in our support of £399,000. The announcement confirms that councils will continue to be at the sharp end of public sector spending cuts up to 2016.

8 BUDGET WORKING GROUP

Background

- 8.1 The Budget Working Group has again met frequently throughout the year to consider the Council's financial position.
- 8.2 Recent meetings have concentrated on reviewing the overall budget for 2014/15. In October, after considering our 3 Year Budget Forecast the Budget Working Group suggested four key considerations as a recommended approach to addressing the budget shortfall.
- 1) Examination in detail of our underspends to ensure our base budget is accurate
 - 2) Whether the Council Tax should be increased for 2014/15
 - 3) Consider increasing the amount of New Homes Bonus we use to finance the revenue budget
 - 4) Examination of how much business rates growth we can realistically expect to rely upon
- 8.3 After reviewing each of these options the Budget Working Group have made a number of recommendations in order to achieve an affordable budget.

Budget Recommendations

1) Examination of our base budget and previous underspends –

As part of the budget setting process identified savings have been built in to the committee budget reports

The BWG agreed to review base budget early in 2014/14 financial year as part of budget setting process for 2015/16

2) Whether our council tax should be increased for 2014/15 –

The Government are again urging council's to freeze their council tax and have again offered a grant to recompense forgoing a 1% increase. As you are aware the compensation freeze grants agreed in the past have varied in how long they were paid for. Some were for only one or two years, whilst another grant was paid for a 4 year period. It is important that the members appreciate that after these short term grant payments have 'fallen out' we have in effect 'lost' the forgone

council tax revenue from our budget for ever. Next year's freeze grant offer is again for a 1% equivalent and the Government state that if we do freeze our council tax this grant will be built in to our settlement funding assessment.

The BWG recommend we freeze our council tax for 2014/15 and hence receive the freeze grant. They also recommend using some of our NHB allocation to offset the increase forgone in our council tax income up to the potential referendum limit.

- 3) How much New Homes Bonus should we allocate to support the revenue budget** – *New Homes Bonus is an unringfenced grant, which means local authorities are free to decide how to spend it. The NHB can be spent on either revenue or capital, or placed in a local authority's reserves. Our allocation for next year as shown above is expected to be £595k. We have already committed using £60k each year to support revenue. We need to consider how much of the balance (£535k) should be used for revenue or capital.*

After careful consideration and acknowledging that NHB has been funded from the local government finance system the BWG agree the NHB forms part of our core funding and therefore recommend using approximately half of our allocation to support our revenue budget for 2014/15.

- 4) Examination of how much business rates growth we can realistically expect to rely on –**

As stated earlier, even though we are ten months into the new arrangements there continues to be changes to Government Guidance regarding how much income we will finally retain under the BRRS.

The BWG recognise the considerable uncertainties surrounding our share of business rate income and also the potential volatilities surrounding appeals and growth. They recommend we do not rely on the total amount of our share estimated as a result of our NNDR 1 return. The total income amount estimated based upon NNDR1 and latest guidance is £387k. It is recommended we use approximately £262k to support the revenue budget and set aside the balance into our business rates volatility reserve

9 ROBUSTNESS OF THE ESTIMATES AND BALANCES AND RESERVES

Introduction

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

Robustness of the Budget

- 9.2 In order to ensure the Council sets a robust budget we follow the processes below;

- ❖ Accountancy staff carry out monthly budget monitoring in conjunction with budget holders and regularly report the outcomes to Corporate Management Team
- ❖ Service Committees also receive regular budget monitoring reports

- ❖ Heads of Service are given responsibility for managing their budgets
- ❖ We prepare our financial plans using a base budget concept whereby any increases/reductions in the level of services are considered over and above the base budget and approval must be sought/virements requested
- ❖ We have a Budget Working Group consisting of members and the Council's Corporate Management Team which meets on a regular basis to make recommendations to officers and service committees in order to maintain a high level of control over our financial position and ensure we manage our finances strategically and effectively.
- ❖ We prepare three year budget forecasts and also a Medium Term Financial Strategy which considers our budget pressures in the medium to longer term

10 GROWTH ITEMS/BUDGET PRESSURES

10.1 As you are aware we have seen some a number of budget pressures in recent years. These have included:

- ❖ Planning
 - Additional staffing costs
 - Appeal costs
 - Income fluctuations
- ❖ Core Strategy
 - Additional staffing costs
 - Updating of the evidence base
 - Public Examination
- ❖ Recycling/Waste Paper and Card Collection
 - Recycling Credits
 - 3 month extension to Viridor for paper and card contract April – June 13
 - Taking the paper and card service in-house
- ❖ Introduction of the new Local Council Tax Support Scheme

10.2 The bulk of these have now been incorporated into our base budget. However a number of issues continue to remain uncertain.

Planning

10.3 Planning Fee income was used to fund the 3 additional planning officer posts brought in 2013/14. Two of these are to deal with the increased workload from planning appeals and increased applications and the third to make permanent a temporary senior planner post in the Forward Planning section. We are now in the position where Planning Fee income looks unlikely to reach the sum we have in the budget as applications begin to return to the levels of previous years. We also have no new planning appeals in the pipeline.

- 10.4 The Core Strategy has also entered the Public Examination stage and staff in the Forward Planning section should hopefully be able to focus more on post Core Strategy work such as site allocations once the Core Strategy has been adopted.
- 10.5 One of the two temporary planning officer posts is now vacant and CMT have agreed to leave this vacant until it becomes clearer which direction planning fee income (and presumably applications) goes from here.
- 10.6 In the meantime any shortfall in planning fee income will have to be met from the planning earmarked reserve.

Planning Fee Income			
	Agreed	2013/14 £000	2014/15 £000
Base Budget		426	426
Additional posts:			
Temporary senior planner appeals	spec P&F Feb 13	32.5	32.5
Temporary Forward planner (made permanent)	spec P&F Feb 13	32.5	32.5
Temporary senior planner	CMT May 13	21	35
Revised base budget		512	526
Add Inflation – 2.75%			14
Latest actual planning fee income 2013/14		396	540

Recycling

- 10.7 There is still some uncertainty regarding recycling credits and income from the sale of paper and card which will need to be kept under review.

New Pressures

- 10.8 The Actuarial Triennial Review of the Pension Scheme has recently been carried out. This has resulted in net increased employer pension contributions of £73,560 for 2014/15. The Actuary has proposed changes to how the deficit on the fund is recovered. Instead of recovering the amount required based on 4% of our current contributions the actuary proposes we pay a lump sum of £210,000 to represent our deficit payment. Our future service rate has increased from 13.1% to 14.0%.

Budget Area	Measures Taken
Future/Current pressures	<p>The Budget Working Group has been meeting monthly to assess pressures facing the Council. The main pressures are referred to above, however we also need to keep under review the following areas;</p> <ul style="list-style-type: none"> ❖ Business Rate Retention Scheme ❖ 3 year capital programme

	<ul style="list-style-type: none"> ❖ Income streams eg vat shelter ❖ Local Council Tax Support Scheme
Consideration of Inflation and Interest Rates	<p>A small amount has been included in respect of a pay award based on the latest ongoing negotiations at national level on local government pay.</p> <p>The prospects for interest rates are regularly reviewed. Currently they are forecasted at 0.5% for 2014/15</p>
Savings Considerations	All saving proposals are examined to ensure they are realistic and sustainable before they are accepted. Furthermore they are monitored closely throughout the year once the budget has been set to ensure they are achieved.
Use of reserves and balances	Careful consideration is given to the use of reserves and balances when setting the budget to ensure that future budgets are sustainable.

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

Adequacy of Reserves

10.10 A reasonable level of balances is needed to provide funds to:

- ❖ Finance levels of inflation in excess of those provided in the budget
- ❖ Provide for unforeseen expenditure
- ❖ Finance expenditure in advance of income
- ❖ Allow flexibility as the year progresses

10.11 The availability of balances has increased in importance since the Local Government Finance Act 1982 revoked local authorities' power to issue supplementary precepts.

General Fund Balances

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

	£000
Opening Balance 1 April 2013	1,700
Estimated Amount to be added to Balances in 2013/14	101
Estimated Balances in Hand 31 March 2014	1,801

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

10.14 My view, especially bearing in mind our record of strong budgetary control, is that the minimum level of balances we should hold is £700,000. This more importantly is the

figure that you have previously agreed in the Medium Term Financial Strategy and is recommended in the latest version elsewhere on the agenda.

- 10.15 Bearing this in mind and our previous good record in achieving savings in the revenue budget as the year progresses my judgement is that in 2014/15 the maximum amount to be used to fund recurring expenditure should be no more than £200,000. This is based upon our sound system of financial control and our recent track record of underspendings during the year.

Earmarked Reserves

- 10.16 Annex 3 shows the Council's earmarked reserves together with any movements forecast for 2013/14 and the 2014/15 financial year.
- 10.17 The earmarked reserves are also judged to be adequate to meet the commitments and forecast expenditure facing the Council.
- 10.18 If you agree to the Budget Working Group's recommendations, the resultant budget for 2014/15 is set out below. This would still leave £1.65m in general fund balances at the end of March 2015.

11 BUDGET WORKING GROUP RECOMMENDED REVENUE BUDGET 2014/15

11.1 If you agree to the proposals outlined above the resultant budget would be as follows:

	Original Estimate 2013/14 £	Original Estimate 2014/15 £
Committee Expenditure		
Planning & Development	555,260	578,290
Community	3,316,550	3,480,480
Health and Housing	800,430	833,090
Policy & Finance	1,739,870	1,869,690
Total of Committees	6,412,110	6,761,550
Capital Adjustments		
Less Depreciation (included in above)	-684,780	-725,170
Add Minimum Revenue Provision (MRP)	145,330	135,960
Total Expenditure	5,872,660	6,172,340
Other Items		
External Interest Payable	16,460	13,200
Interest Earned	-29,140	-28,790
Council Tax Freeze Grant	-31,610	-31,560
New Homes Bonus	-367,700	-594,807
New Homes Bonus Adjustment Grant	-10,029	0
Efficiency Support for Services in Rural Areas	-9,901	0
Localisation of Council Tax Support - Payment to Parishes	23,000	17,034
Localisation of Council Tax Support - Transitional Grant	-5,780	0
Business Rate Retention Scheme Growth share	-47,165	-69,479
Share of Business Rates Surplus on Collection Fund		-15,061
50% of Grant for Government extension of SBRR & EPRR		-302,463
Transfer From/To Various Funds (See Annex 3)	634,255	602,729
Net Expenditure	6,045,050	5,763,143
Adjustment to Balances to Get to Agreed Budget	-146,023	-150,000
Agreed budget for year	5,899,027	5,613,143

13 BUDGET REQUIREMENT AND PRECEPT

- 13.1 The Local Government Finance Act 1992 requires the Council, as billing authority, to make certain calculations regarding the budget requirement. Obviously at this stage the calculation is based upon the information set out in Section 10 above.

BUDGET REQUIREMENT AND PRECEPT	
	£
RVBC Net Budget	5,613,143
Plus Parish Precepts	378,339
	5,991,482
Less - Settlement Funding Assessment	-2,603,415
Net Requirement Before Adjustments	3,388,067
Council Tax Surplus	-228
Precept (Including Parishes)	3,387,839

Updated Three Year Forecast

- 13.2 I have updated the three year forecast assuming the above budget for 2014/15 is agreed. The Medium Term Financial Strategy (MTFS) is reported elsewhere on the agenda and shows our position in more detail.
- 13.3 Our MTFS is the Council's key financial planning document. It aims to provide the council with an assurance that our spending plans are affordable over the Medium Term (3 year period)
- 13.4 The forward projections included within our MTFS are based upon our core base budget and capital programme. As you will appreciate these will change as we progress through 2014/15 to reflect the very latest income and expenditure projections
- 13.5 We have included in our forecast the illustrative provisional settlement for 2015/16, beyond this we have assumed a cash reduction of 10% in Government Funding for 2016/17 and a further 5% reduction for 2017/18. You will see we have included the council tax freeze grants as income for each year following the Government's assurance that we will receive this amount as part of our baseline funding going forward.
- 13.6 In summary I have set out below the updated the three-year budget forecast based upon an anticipated council tax freeze for 2015/16 and a 2.5 percent increase thereafter. Clearly the decision on our council tax level for 2015/16 will be taken as part of next year's budget setting round. This results in a forecast for the next three years of:

Three Year Budget Forecast						
	2015/16		2016/17		2017/18	
	£		£		£	
Net Expenditure	6,696,000		6,995,000		7,213,399	
Interest Receipts	-30,000		-60,000		-80,000	
Use of Superannuation reserve	-36,175		-36,175		-36,175	
CTax Freeze grant re 2014/15	-31,560		-31,560		-31,560	
CTax Freeze grant re 2015/16	-31,560		-31,560		-31,560	
Use of New Homes Bonus	-333,780		-333,780		-333,780	
Use of Balances	-150,000		-150,000		-150,000	
Reductions in Expenditure Required	-576,392		-958,648		-1,145,305	
Budget Requirement	5,506,533		5,393,277		5,405,019	
Government Funding	2,204,012	as per prov grant sett dec13	1,983,611	assume 10% reduction on 15/16	1,884,430	assume 5% reduction on 16/17
Business Rate Growth	262,926		262,926		262,926	
Coll Fund (Deficit)/Surplus	0		0		0	
Precept	3,039,595		3,146,741		3,257,663	
Tax Base	21,605	1%	21,821	1%	22,039	1%
Band D Ctax	140.69	0%	144.21	2.5%	147.81	2.5%
Effect of above on General Fund Balances						
General Fund Balances	2015/16		2016/17		2016/17	
	£		£		£	
Brought Forward	1,650,947		1,500,947		1,350,947	
Used	-150,000		-150,000		-150,000	
Carried Forward	1,500,947		1,350,947		1,200,947	

13.7 The above forecast shows that if our estimates are correct the amount required to balance our budget will be significant, even after the use of balances and also supporting our revenue budget via the use of our new homes bonus by £338k each year. For 2015/16 the budget gap would be £576k, 2016/17 £959k and 2017/18 £1.145m.

13.8 We will also need to consider any further potential for Business Rate Growth above our baseline as the Business Rate Retention scheme continues to unfold.

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

15 ILLUSTRATIVE COUNCIL TAX AT BAND D

- 15.1 Finally I have shown below our anticipated total Band D council tax assuming a zero percentage increase for ourselves but a 2% increase for the other major precepting authorities. I must stress this is speculative at this stage.

	Actual Band D Council Tax 2013/14 £	Estimated Band D Council Tax 2014/15 £	%
Ribble Valley	140.69	140.69	0.0
Parishes (average)	16.49	17.69?	7.3?
Lancashire County Council	1,086.13	1,107.74	1.99
Police Authority	152.92	155.98	2.0
Combined Fire Authority	63.65	64.92	2.0
	1,459.88	1,487.02	1.9

16 RECOMMENDED THAT COMMITTEE

- 16.1 Approve the revised budget for 2013/14.
- 16.2 Consider whether to recommend to Full Council the removal of the council tax premium of 50% on long term empty properties (over two years) as referred to in paragraph 3.16.
- 16.3 Approve the Budget Working Group's recommendations and set a budget requirement and precept for 2014/15 as set out in Section 11.1.
- 16.4 Recommend the budget and precept to the Full Council meeting on 4 March 2014.

DIRECTOR OF RESOURCES

PF12-14/JP/AC
3 FEBRUARY 2014

SPECIAL POLICY & FINANCE COMMITTEE

ANALYSIS OF TRANSFERS TO AND FROM EARMARKED RESERVES

	Restated Original Estimate 2013/14 £	Revised Estimate 2013/14 £
Taken From Reserves		
Core Strategy	-160,100	-160,100
Forest of Bowland	0	-5,000
Planning	0	-141,910
Performance Reward Grant	-7,500	-21,600
Land Charges		-1,010
Voluntary Grants		-3,720
Emergency Planning		-1,270
Equipment	-11,370	-11,470
Sports Development	-6,280	-6,280
Wellbeing and Health Equality	-5,000	-5,000
Community Safety Partnership (re CRIME)	-24,000	-3,670
Recreation and Culture Grants		-21,760
Christmas Lights and RV in Bloom		-660
DEFRA Clean Air	-480	-480
Warm Homes		-29,930
LalPac Reserve	-460	
Exercise Referral	-5,260	
Tourism Promotions		
Capital Reserve Fund		-330
Use of VAT Shelter – Riddings Lane Garages		-20,000
Post LSVT (Pensions)	-36,175	-36,175
Added to Reserves		
Elections	20,880	16,190
Building Control Fee Earning	4,170	6,680
Pendle Hill Users	0	190
Revaluation	2,000	2,000
Exercise Referral		7,550
Community Rights to Bid	7,860	7,850
Community Rights to Challenge	8,550	8,550
Capital Reserve - Freehold Sales		2,990
Capital Reserve – Tablet Devices		3,000
VAT Shelter	356,970	289,000
New Homes Bonus Reserve	307,700	317,729
Total Net Transfers to Reserves	451,505	191,364

SPECIAL POLICY & FINANCE COMMITTEE

COLLECTION FUND

	Actual 2012/13 £000	Original 2013/14 £000	Revised 2013/14 £000
Expenditure			
Deficit Brought Forward	165	231	216
Precepts:			
Lancashire County Council	24,864	22,866	22,866
Lancashire Police Authority	3,363	3,220	3,220
Lancashire Combined Fire Authority	1,428	1,340	1,340
Ribble Valley incl Parishes	3,528	3,309	3,309
Cost of Collecting NNDR	85	86	86
Contribution to Pool	12,974		
Distribution of Business Rates:			
Central Government		6,801	6,801
Ribble Valley		5,441	5,441
Lancashire County Council		1,224	1,224
Lancashire Fire Authority		136	136
Overpayments of council tax benefit			78
NNDR - Bad Debts Provision		140	141
Council Tax - Bad Debts Provision	52	232	45
	46,459	45,026	44,903
Income			
Surplus Brought Forward	0		
Share of Deficit:			
Lancashire County Council	68	173	173
Police & Crime Commissioner for Lancashi	9	23	23
Lancashire Combined Fire Authority	4	10	10
Ribble Valley	10	25	25
Council Tax Income	30,854	30,967	30,822
Transitional Relief			
Council Tax Benefits	2,240		22
Business Rates	13,059	13,828	13,905
	46,244	45,026	44,980
Surplus/(Deficit) carried forward			77
CTAX - Surplus/Deficit) Carried Forward	-215	0	1
NNDR - Surplus/Deficit) Carried Forward		0	76
Total Surplus/(Deficit)		0	77

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

Earmarked Reserve	Balance at	To be	Balance at	To be	Balance at
	1/4/13	added/(taken) in	31/3/14	added/(taken) in	31/3/15
	£	£	£	£	£
Local Recreation Grants Fund	26,661	-21,760	4,901		4,901
Elections Fund	40,059	16,190	56,249	21,450	77,699
Audit Reserve Fund	12,335		12,335		12,335
Building Control Fund	-119,421	6,680	-112,741	1,770	-110,971
Rural Development	1,631		1,631		1,631
Capital	399,358	58,507	457,865	58,000	515,865
Insurance	16,748		16,748		16,748
Christmas Lights/RV in Bloom	1,286	-660	626		626
Community Enhancement	11,419		11,419		11,419
Rent Deposits	7,837		7,837		7,837
LALPAC Licensing System	1,424		1,424		1,424
IT Equipment	48,393		48,393		48,393
Conservation	6,210		6,210		6,210
Concessionary Travel	40,026		40,026		40,026
Fleming VAT Claim	239,926		239,926		239,926
Repairs and Maintenance	29,299		29,299		29,299
Post LSVT	401,637	-36,175	365,462	-36,175	329,287
Market Town Enhancement	6,643		6,643		6,643
Performance Reward Grant	373,832	-114,090	259,742	-50,700	209,042
Refuse Collection	18,000		18,000	0	18,000
Restructuring	227,541		227,541		227,541
VAT Shelter	1,498,434	78,621	1,577,055	193,300	1,770,355
Revaluation of Assets	6,000	2,000	8,000	-8,000	0

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

Earmarked Reserve	Balance at 1/4/13	To be added/(taken) in 2013/14	Balance at 31/3/14	To be added/(taken) in 2014/15	Balance at 31/3/15
	£	£	£	£	£
Clean Air	3,641	-480	3,161	-480	2,681
Equipment	43,170	-8,610	34,560		34,560
Invest to Save Fund	250,000		250,000		250,000
Forest of Bowland	34,646	-5,000	29,646		29,646
Land Charges	34,356	-1,010	33,346		33,346
Pendle Hill User	13,512	190	13,702		13,702
Planning	309,071	-153,880	155,191		155,191
Community Safety Partnership	29,475	-3,670	25,805	-25,580	225
Housing Benefit	100,000		100,000		100,000
Wellbeing and Health Equality	47,428	-5,000	42,428		42,428
Exercise Referral	6,157	7,550	13,707	-7,550	6,157
Clitheroe Cemetery Extension	3,640		3,640		3,640
New Homes Bonus	121,691	217,729	339,420	139,027	478,447
Core Strategy	160,097	-160,097	0		0
Emergency Planning	1,270	-1,270	0		0
CCTV	1,000		1,000		1,000
Warm Homes Healthy People	29,931	-29,931	0		0
Business Rates Volatility	135,904		135,904	124,077	259,981
Community Right to Bid & Challenge	13,420	16,400	29,820	16,400	46,220
Voluntary Organisation Grants	3,720	-3,720	0		0
Grant Funded Sports Development	6,283	6,283	0		0
Human Resource Development	3,100	-3,100	0		0
Total	4,646,790	-150,869	4,495,921	425,539	4,921,460

SPECIAL POLICY AND FINANCE COMMITTEE

PARISH PRECPTS 2014/15

Band D		Parish Precept	Parish Precept	Increase/	Band D
Equiv Tax Base	Parish	2014/15	2013/14	Decrease	Equivalent Tax
		£	£	£	£
431	Aighton, Bailey & Chaigley	4,750.00	4,548.00	202.00	11.02
195	Balderstone	1,245.00	1,239.00	6.00	6.38
198	Bashall Eaves, Great Mitton & Little Mitton	1,094.00	1,094.00	-1,094.00	0.00
1,994	Billington & Langho	15,000.00	10,417.00	4,583.00	7.52
478	Bolton by Bowland, Gisburn Forest & Sawley	15,000.00	13,000.00	2,000.00	31.38
67	Bowland Forest (High)	2,166.80	2,104.80	62.00	32.34
82	Bowland Forest (Low)	1,200.00	1,200.00	0.00	14.63
82	Bowland with Leagram	500.00	585.60	-85.60	6.10
363	Chatburn	9,570.00	9,517.00	53.00	26.36
472	Chipping	5,900.00	7,116.00	-1,216.00	12.50
498	Clayton le Dale	2,929.00	2,923.00	6.00	5.88
4,649	Clitheroe	87,417.00	87,417.00	0.00	18.80
46	Dinckley	0.00	0.00	0.00	0.00
52	Downham	0.00	0.00	0.00	0.00
106	Dutton	496.00	496.00	0.00	4.68
191	Gisburn	3,733.00	3,713.00	20.00	19.54
342	Grindleton	7,500.00	7,139.00	361.00	21.93
48	Horton	0.00	0.00	0.00	0.00
75	Hothersall	750.00	741.00	9.00	10.00
2,584	Longridge	77,013.00	55,319.00	21,694.00	29.80
8	Mearley	0.00	0.00	0.00	0.00
995	Mellor	14,300.00	14,298.00	2.00	14.37
19	Newsholme	0.00	0.00	0.00	0.00
143	Newton	2,424.00	2,424.00	0.00	16.95
106	Osbaldeston	700.00	744.00	-44.00	6.60
42	Paythorne	0.00	0.00	0.00	0.00
105	Pendleton	1,263.00	1,239.00	24.00	12.03
267	Ramsgreave	1,932.00	1,626.00	306.00	7.24
537	Read	7,603.00	7,675.00	-72.00	14.16
641	Ribchester	7,477.00	7,360.00	117.00	11.66
217	Rimington & Middop	4,000.00	3,643.00	357.00	18.43
508	Sabden	14,676.00	13,557.00	1,119.00	28.89
174	Salesbury	4,800.00	4,636.00	164.00	27.59
490	Simonstone	8,000.00	7,494.00	506.00	16.33
151	Slaidburn & Easington	1,750.00	1,646.00	104.00	11.59
161	Thornley with Wheatley	1,500.00	1,548.00	-48.00	9.32
34	Twiston	0.00	0.00	0.00	0.00
438	Waddington	13,500.00	13,500.00	0.00	30.82
355	West Bradford	6,070.00	5,900.00	170.00	17.10

SPECIAL POLICY AND FINANCE COMMITTEE

PARISH PRECPTS 2014/15

Band D		Parish	Parish	Parish	Parish	Band D
Equiv	Parish	Precept	Precept	Increase/	Decrease	Equivalent
Tax		2014/15	2013/14			Tax
Base		£	£	£		£
1,423	Whalley	31,029.00	30,407.00	622.00		21.81
1,070	Wilpshire	15,051.00	15,051.00	0.00		14.07
513	Wiswell	6,000.00	5,793.00	207.00		11.70
41	Worston	0	0.00	0.00		0.00
21,391		378,338.80	347,110.40	30,134.40		

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 11 FEBRUARY 2014
title: MEDIUM TERM FINANCIAL STRATEGY
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To approve the Council's Medium Term Financial Strategy 2014/15 to 2017/18.

2 BACKGROUND

2.1 The Council has a Medium Term Financial Strategy (MTFS) that is updated annually.

2.2 The MTFS is the Council's key financial planning document. It aims to provide the Council with an assurance that the Council's spending plans are affordable over the Medium Term (2014/15 plus 3 years).

2.3 It includes a three year budget forecast and provides the financial foundation for the delivery of the Council's policy priorities.

3 MEDIUM TERM FINANCIAL STRATEGY

3.1 The attached MTFS includes sections covering:

- Policy and Service Context
- Demographic Context
- Financial Context
- National Context and Other External Factors
- Partnership Working and External Funding
- A Three Year projection of Revenue Expenditure
- Capital Programme
- Balances and Reserves
- Risk Assessment and Sensitivity
- Links to Ambitions and Priorities

3.2 The MTFS reflects the proposed Revenue Budget for 2014/15 and the suggested Forward Capital programme, which are covered in separate reports elsewhere on the agenda. It will be amended if either the Revenue Budget or Capital Programme are changed.

3.3 Finally and importantly the MTFS forms an integral part of the Council's financial planning process and should be read in conjunction with the two reports mentioned above.

4 RECOMMENDED THAT COMMITTEE

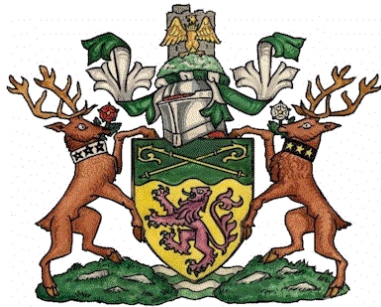
4.1 Approve the Medium Term Financial Strategy for 2014/15 to 2017/18.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF15-14/LO/AC
4 February 2014

February 2014



Ribble Valley Borough Council

Medium term financial strategy

2014/15 to 2017/18

Table of contents

Section	Page
Introduction	5
Policy and Service Context	5
Demographic Context	6
Financial Context	9
National Context and Other External Factors	11
Partnership Working and External Funding	17
Initial Three Year Projections of Revenue Expenditure	18
General Fund Balance and Earmarked Reserves	20
Capital Programme 2014/15 to 2016/17	24
Risk Assessment and Sensitivity	25
Links to Ambitions and Priorities	26
ANNEX 1: Future Capital Programme 2014/15 – 2016/17	28

1 Introduction

- 1.1 The medium term financial strategy (MTFS) is the Council's key financial planning document. It aims to provide the Council with an assurance that the Council's spending plans are affordable over the medium term (3 years).
- 1.2 The main objectives of the medium term financial strategy are
- to look to the longer term to help plan sustainable services and budgets and help ensure that the Council's financial resources are sufficient to support delivery of Council Plan priorities.
 - to provide a single document to communicate the financial context, aims and objectives to staff and stakeholders and support working with partners.
- 1.3 The financial strategy includes a three-year budget forecast that is reviewed annually. The medium term financial forecast builds on previous medium term strategies to provide the financial foundation for delivery of the Council's policy priorities and to meet the identified performance and resource issues.
- 1.4 This strategy covers the period 2014/15 to 2017/18 and sets out the resource issues and principles that shape the council budget.

2 Policy and Service Context

- 2.1 The Council's Corporate Strategy provides the overall direction for the medium term financial strategy and the annual budget.
- 2.2 The Corporate Strategy sets out the strategic direction of the Council, providing a focus to ensure that the services the council delivers meet the needs of its communities. It is one of the Council's most important documents setting out those areas identified for focused improvement over future years.
- 2.3 The Council's Vision continues to be that we aim to ensure that Ribble Valley will be:

Our Vision

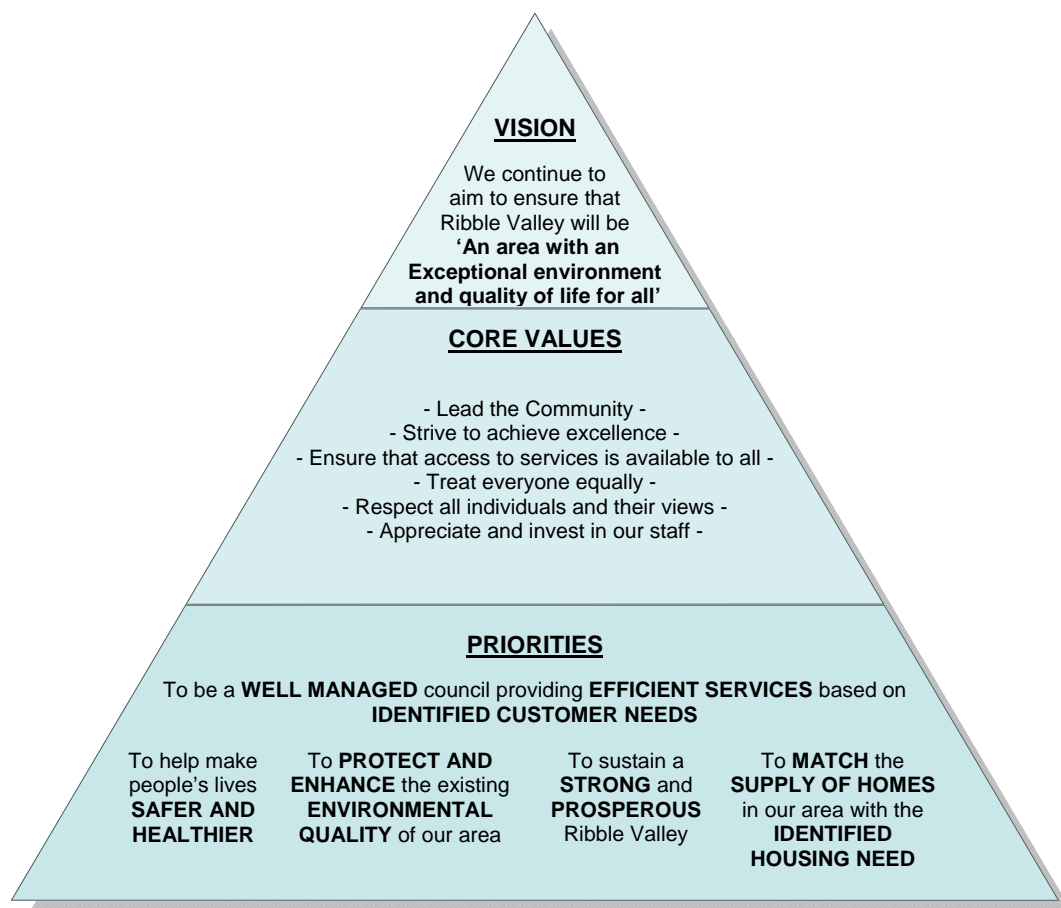
An area with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors.

- 2.4 We believe that this Vision reflects our shared aim for the Borough, which has the highest quality of environment for those who live in and visit the area. It recognises that people must have a high quality of life; that suitable homes are available to meet their diverse needs and that they should be safe and feel safe. People should also be able to access the best services without having to travel long distances to receive them.
- 2.5 Key to the Council's Corporate Strategy is the Mission Statement of the Council. The Council has adopted the following statement that sets out its role and responsibilities in relation to the communities it exists to serve:

Mission Statement

The Council will provide high quality, affordable and responsive public services that develop the social and economic well being of the Borough whilst safeguarding the rural nature of the area

- 2.6 The role of the Council's financial planning process is to support the achievement of the Council's strategic goals, Corporate Strategy.
- 2.7 In order to deliver its Vision and provide a focus for how it delivers services, the Council has agreed a set of five corporate priorities. The Council's priorities are deliberately limited to focus attention over the life of the Corporate Strategy. Each priority has a number of objectives, underlying actions, and key measures of success, which should allow progress towards the achievement of the priority to be monitored. They are expanded upon in the supporting Corporate Action Plan.
- 2.8 Above all **'We aim to be a well-managed Council providing efficient services based on identified customer needs'** overarches all of our priorities, whilst recognising the importance of securing a diverse, sustainable economic base for the Borough. The priorities are driven by local needs with consideration to national priorities.



3 **Demographic Context**

Locality

- 3.1 Ribble Valley is in the County of Lancashire bordering neighbouring councils in Pennine Lancashire, Craven District Council in North Yorkshire, South Ribble, Preston, Wyre and Lancaster Borough Councils. The administrative centre for the district is the historic market town of Clitheroe. The industrial and commercial centre for the west of the borough is the town of Longridge.
- 3.2 The remaining area is mainly rural, ranging from large villages to small hamlets. Some settlements are accessible along the A59 corridor; others are more remote from services and public transport. Along with ancient woodland, biological heritage sites, conservation areas and sites of special scientific interest, two thirds of Ribble Valley is part of the Forest of Bowland Area of Outstanding Natural Beauty (AONB).

Local Economy

- 3.3 Unemployment is below the national and regional averages and the third lowest in the North West (at 3.4% compared with the national average of 7.7%)¹. Earnings are above the national average.
- 3.4 Given the rural nature of the area, it is not surprising that agriculture and tourism are important employers. However, recent years have seen major restructuring, within the agricultural/land-based sector in particular. The tourism sector accounts for over 10% of employment, and it is estimated that the total spent by tourists in Ribble Valley each year is in excess of £19.5 million. Additionally there are estimated to be around 2,500 jobs in tourism-related businesses.
- 3.5 One of the largest employment sectors in Ribble Valley is manufacturing, which accounts for 26.2%² of employment within the borough, and is represented by major national and multi-national companies such as Hanson Cement, Johnson Matthey, and BAe Systems. The relatively small number of large employers is complemented by an above average presence of small companies employing 1-4 employees.
- 3.6 A survey undertaken in 2001 showed that Ribble Valley has the second most skilled population in the country after the City of London. However, the survey masks the fact that many of these well-qualified people in high-earning, senior positions commute daily out of the borough, and live in the area because of the high quality environment and the quality of life it offers. This has had the effect of forcing up the price of houses within the borough, putting them well out of the reach of young people and first time buyers. The mean house price sale in Ribble Valley as at April – June 2013 was £223,384, with an average terrace house price sale of £146,277.³ The annual change in house prices grew by 10.8%. Regionally the mean house price sale was £154,825 (+0.9%) over the same period.

Resident Population and Projections

- 3.7 According to the ONS Census figures, the total resident population of the Borough reached 57,600⁴ during 2012. Life expectancy within the Ribble Valley is currently 79.3 for males and 83.2 for females⁵. According to ONS projections, the resident population of the Borough is predicted to increase by an additional 2,400 people over the next few years to reach a total of 60,000 Borough residents by 2021.⁶ Migration accounts for all of the population growth as projections show fewer births than deaths in the Borough.
- 3.8 In 2 wards there has been an increase in population of more than 15% since 2002 – Whalley (24.9%) and Billington and Old Langho (30.22%). Six wards have seen a population decrease over the same period – Chatburn (-1.64%), Chipping (-1.16%), Derby and Thornley (-0.85%), Edisford and Low Moor (-2.76%), Langho (-1.35%) and Littlemoor (-0.44%).⁷
- 3.9 Population density across the Borough as a whole averages 1 person per hectare. This is far lower than the overall England average of 4.1 persons per hectare and the North West average of 5 persons per hectare.⁸
- 3.10 From the 2011 Census 97.8% of the borough is recorded as White. There has been a small population increase in ethnic groups since 2001.⁹ There are no geographical areas of the borough where there is a significant community of non-white ethnic groups.

¹ ONS – NOMIS Labour Market Statistics September 2013 (October 2012 to September 2013)

² NOMIS - ONS annual business inquiry employee analysis 2008

³ Land Registry Data – April – June 2013

⁴ Office for National Statistics 2012 Population Estimate

⁵ Ribble Valley 2013 Health Profile produced by the English Public Health Observatories

⁶ Office for National Statistics interim 2011-based Subnational Population Projections (Sept. 2012)

⁷ Comparison of 2001 Census and 2007 mid year projected population – ward quinary (experimental stats)

⁸ Office for National Statistics Census 2011 – Population density

⁹ Office for National Statistics Census 2011 – Ethnicity

Ribble Valley	White		Mixed		Asian		Black		Other	
	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001
	97.8	98.4	0.7	0.4	1.4	1.0	0.1	0.1	0.1	0.1

3.11 Between 2002/03 to 2005/06 the highest numbers of people registering for National Insurance in Lancashire were from Poland (around 3,500), India (almost 2,000) and Pakistan (1,800).¹⁰ The 2011 Census confirms that the highest percentage of people with a country of birth not being the United Kingdom, were from Poland.¹¹

Age Structure (Older Persons)

3.12 Within Ribble Valley 20.2%¹² of the population (11,531) has reached retirement age and 18% have retired (compared to 16.5% in 2001).¹³ The retired population has increased since the Census in 2001. There are now significantly more retired people living in the borough compared with the number of children (10,580 aged 0-15 years)¹⁴. The 2011 Census shows that there are 1,479 people aged over 85 living in the borough, which is an increase of 21% since 2001 (1,168).

3.13 The highest proportion of people at retirement age (65+) can be seen in Clayton-le-Dale (26.71%), with 1 other ward having over 25% of the population at retirement age, being Waddington and West Bradford (26.07%).¹⁵

Age Structure (Young Persons)

3.14 There are 9,733 children (aged 0-14) living in the borough. This is 299 fewer than 11 years ago (10,032,)¹⁶. Within this age group the number of pre-school children (aged 0-4) fell by 1.5% between 2002 and 2013 and currently stands at 2,830. The number of primary school children (aged 5-9) fell by 6.5% over the same period and currently stands at 3,106 and the number of high school children (aged 10-15) also declined and now stands at 3,797.¹⁷

3.15 Within the borough several wards have seen large declines in the number of children (aged 0-15) – Chatburn (-18.3%), Chipping (-16.06%) and Derby and Thornley (-23.04%). However, some wards have seen substantial increases – Whalley (20.73%), Primrose (20.31%) and Billington and Old Langho (40.04%).¹⁸

Age Structure (Working Age)

3.16 There are currently 41,285 people in the working age population (age 16 to retirement age) of the Borough.¹⁹

3.17 Billington and Langho (20.72%) has seen the largest increase in the working age population (age 20 to retirement age) in the borough between 2002 and 2011. Two other wards have also seen substantial increases – Whalley (20.12%) and Gisburn (10.37%). Several wards have seen notable declines – Langho (-9.47%), Edisford and Low Moor (-6.2%) and Wiswell and Pendleton (-8.5%).

¹⁰ Analysis of National Insurance Number Registrations by non-UK Nationals, by country of origin, in Lancashire County and the Districts: 2002/03 – 2005/06 – A report produced by LCC's Research and Intelligence Team

¹¹ Office for National Statistics Census 2011 – Country of birth detailed

¹² Office for National Statistics Census 2011 – Age Structure

¹³ Office for National Statistics Census 2011 – Economic activity

¹⁴ Office for National Statistics Census 2011 – Age structure

¹⁵ Office for National Statistics 2011 mid-year projection - ward quinary

¹⁶ Comparison of ONS mid 2002 and mid 2011 projected population – quinary age groups

¹⁷ Comparison of ONS mid 2002 and mid 2011 projected population

¹⁸ Comparison of ONS Census 2001 and mid 2007 projected population – ward quinary (experimental stats)

¹⁹ ONS Census 2011 – Economic Activity

Housing and Households

- 3.18 In terms of housing tenure, 76.6% of dwellings are owner occupied, 13.7 % are privately rented and 7.6% are social rented. There are currently approximately 365 long-term vacant private dwellings, a figure that we are taking action to reduce.²⁰
- 3.19 According to household projections there were 25,011²¹ households within the Borough at the end of 2012. The number of borough households is expected to grow to 29,000 by 2028 at an estimated increase of 250²² households per annum.
- 3.20 The average size of Borough households was 2.3 persons in 2011, compared to a projected figure of 2.18 persons per household by 2028. The declining household size is directly linked to the requirements for new dwellings.

Social Deprivation (Index of Multiple Deprivation)

- 3.21 The IMD 2010 provides measures of deprivation at local authority level, ranking the deprivation of 354 local authority districts in England, where 1 is the most deprived and 354 is the least deprived. The rankings for the Ribble Valley are summarised below:

Rank out of 354	
Average Score	290
Extent	294
Local Concentration	312
Income Scale	323
Employment Scale	305

Health

- 3.22 According to the Ribble Valley Health Profile 2013²³, the health of people in Ribble Valley is generally better than the England average. Life expectancy for men and women is higher than the England average. Over the last 10 years, all-cause mortality rates have fallen. The early death rate from heart disease and stroke has fallen and is better than the England average.
- 3.23 However, there are significant health problems. Deprivation is lower than average, however about 610 children live in poverty. About 15.3% of Year 6 children are classified as obese, this is lower than the average for England. Levels of breast feeding initiation and smoking in pregnancy are worse than the England average with 20.7% of expectant mothers smoke during pregnancy.
- 3.24 When looking at alcohol consumption in the borough 24.3% of people aged 16 or over are classified as having 'increasing and higher risk drinking' compared to the England average of 22.3%. The rate of road injuries and deaths of 66.4 per 100,000 population is significantly higher than the England average of 41.9 per 100,000 population.

4 Financial Context

- 4.1 More so now than ever, it is very important for the Council to maintain a healthy level of balances to cover for unforeseen events and also provide a stable level of resources for future planning. The creation of earmarked reserves enables flexibility in approach to financial and service pressures, allowing the council to respond in a timely manner.
- 4.2 At the end of the 2012/13 financial year the Council further built its financial resilience by strengthening the level of earmarked reserves to meet the challenging and uncertain period that it continues to work through, and also to meet known shorter term commitments

²⁰ 2011 Census

²¹ Valuation Office – Council Tax

²² Core Strategy 2008-2028 – Submission Version

²³ Produced by the Association of Public Health Observatory on behalf of the Department of Health

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- 4.3 The level of General Fund Balances and Earmarked Reserves at the 31 March 2013 totalled just over £6.347 million.
- General Fund Balances: £1.7m
 - Earmarked Reserves: £4.647m
- 4.4 The level of reserves and balances has been reviewed and found to be more than adequate to meet the Council's projected revenue expenditure. As we continue to work through this period of financial uncertainty, there is increasing pressure on the use of our general fund balances and earmarked reserves. Whilst the Government continue to reduce their funding for local government, they also continue to encourage authorities to freeze their council tax levels. As we continue to use our general fund balances to finance the revenue budget it must be noted that it is recommended that they are not allowed to fall below £700,000.
- 4.5 The level of the Council's net expenditure (expenditure net of fees and charges, interest and movements in balances) continues to fall as a result of the reducing level of support from the Government. With council tax levels frozen, alternative sources of financial support for council services is limited.
- 4.6 The level of net expenditure needed in future years will also be very sensitive to changing income levels from investment returns and fees and charges, both of which have been affected substantially by the poor economic climate over the past few years.
- 4.7 A service review was completed in 2011 which achieved substantial savings of £635,160 in 2012/13 and onward. This was the second phase of the review of the Council structure, the first of which was completed in 2010 and was the review of senior management. The first phase of the structure review achieved savings averaging £108,000 per annum over five years.
- 4.8 The council will continue to use General Fund balances prudently to subsidise the revenue budget over the medium-term, however longer-term it is important that the council looks to set its revenue budget with minimum support from its general fund balances. In the medium term we look to use approximately £150,000 per annum from General Fund balances to support the revenue budget.
- 4.9 Whilst the level of government support is known to continue to reduce in to 2015/16, following receipt of provisional figures, the level of future government support for 2016/17 onwards remains uncertain. This uncertainty reinforces the need for the council to maintain a healthy level of general fund balances, and indeed the potential volatility around the new business rates retention scheme has added to the uncertainties that we face and the need to use earmarked reserves in order to cushion future fluctuations and pressures.
- 4.10 The level of overall capital reserves has been a matter of concern over recent years. These have been somewhat depleted. At the 31 March 2014 it is estimated that the capital reserve earmarked reserve will be above the minimum recommended level of £350,000 and will remain so over the life of the forward capital programme.

5 **National Context and Other External Factors**

The Local Government Finance Settlement (2014/15 – 2015/16)

- 5.1 On 18th December 2013, the Secretary of State for Communities and Local Government finally announced a two-year settlement for local government covering 2014/15 and 2015/16.
- 5.2 The headline for this council was that provisional “spending power” (as defined by the Government) would reduce by 2.25% in 2014/15 and by a further 3.6% in 2015/16. However, when we compare the figures on a like for like cash basis the council will see a reduction of £358,000 in 2013/14 (12.1%) and a further £399,000 (15.3%) the year after.

Local Government Finance Settlement – Settlement Funding Assessment

Financial Year	£'000	Percentage Decrease from 2013/14
2014/15 – Confirmed	2,603	-12.1%
2015/16 – Provisional	2,204	-25.6%

- 5.3 The 2014/15 settlement is the second year of a new style settlement incorporating the retention of business rates.
- 5.4 The Settlement Funding Assessment consists of the local share of business rates, and Revenue Support Grant. The first Settlement Funding Assessment in 2013/14, which formed the starting point for setting Revenue Support Grant until 2020, was called the Start-Up Funding Assessment. This is broadly the same as our former Formula Grant.

Business Rates Retention

- 5.5 As referred to above, business rates retention forms an important element of the council's Settlement Funding Assessment. The level of funding to be received through Business Rates Retention in 2013/14 has been confirmed by the government as part of the Settlement Funding Assessment. The council also knows the corresponding level of funding that we will likely receive in 2014/15, based on the completion of government return NNDR1.
- 5.6 However, there is great uncertainty around the final level of funding that the council will receive from the Government in 2013/14 due to compensation due to council's for the Government's extension of Small Business Rate Relief (SBRR) and Empty Property Rate Relief (EPRR). This uncertainty is unlikely to dissipate until the 2013/14 financial year is closed and the final government return for that year, NNDR3, is completed. However, the uncertainty continues in 2014/15 with an extension of these reliefs having been previously announced by the government.
- 5.7 Added to this uncertainty is the distribution of growth from the 2013/14 financial year, above and beyond our original forecast of growth. This additional growth is not distributed until the following financial year (2014/15) and we will not know what additional growth, or potentially loss, will be distributed between ourselves and the major precepting bodies until the final government return for that year, NNDR3, is completed.
- 5.8 This uncertainty will therefore continue year to year, however once the first year of the new business rates retention scheme is completed, forecasting on some material elements such as appeals and the treatment of the levy on any additional growth should be eased.

- 5.9 As a result of this volatility, the council has an earmarked reserve in order to cushion the impact of future fluctuations in funding that we are to receive. Forecast additional growth and any compensation for the future extension of Small Business Rate Relief (SBRR) and Empty Property Rate Relief (EPRR) will be set aside in this earmarked reserve.

New Homes Bonus

- 5.10 The New Homes Bonus commenced in April 2011 and is paid to the council by the Government for new homes and empty properties brought back in to use. The amount receivable is equivalent to the national average council tax for each property and is receivable every year for the following six years. The amount is also supplemented with an additional amount for affordable homes.
- 5.11 The Government have announced the provisional amounts for the New Homes Bonus for 2014/15 (£916m) and 2015/16 (£1,150m). The Government will also not be going ahead with the transfer of £330m of New Homs Bonus to Local Enterprise Partnerships in 2015/16.
- 5.12 Our allocation for 2013/14 was £367,698 and for 2014/15 will be £594,807. The table below shows the amounts we have already received and also the amounts forecast for the coming years. Also shown are our commitments to using this funding.

Year of Award¹	Received 2011/12 £	Received 2012/13 £	Received 2013/14 £	Provisional 2014/15 £	Potential 2015/16 £	Potential 2016/17 £	Potential 2017/18 £
Granted 2011/12	62,046	62,046	62,046	62,046	62,046	62,046	
Granted 2012/13		117,599	117,599	117,599	117,599	117,599	117,599
Granted 2013/14			188,053	188,053	188,053	188,053	188,053
Provisional 2014/15				227,109	227,109	227,109	227,109
Estimated 2015/16					200,000	200,000	200,000
Estimated 2016/17						200,000	200,000
Estimated 2017/18							200,000
Total	62,046	179,645	367,698	594,807	794,807	994,807	1,132,761
New Homes Bonus Commitments²	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Revenue	-60,000	-60,000	-60,000	-333,780	-333,780	-333,780	-333,780
Capital	0	0	-100,000	-122,000	-48,000	0	0
Total	-60,000	-60,000	-160,000	-455,780	-381,780	-333,780	-333,780
Unallocated in Year	2,046	119,645	207,698	139,027	413,027	661,027	798,981
Unallocated Cumulative	2,046	121,691	329,389	468,416	881,443	1,542,470	2,341,451
¹ The above uses current average council tax levels and assumes a level of growth for future years of £200,000 per annum							
² The Commitments section of the above table assumes continued use of New Homes Bonus at the level agreed for 2014/15							

- 5.13 The unallocated cumulative totals as shown above are added to an earmarked reserve and will be used to meet future revenue and capital pressures; however, at this stage it is anticipated that it is more likely to be used to meet the pressures anticipated on the revenue budget.

Interest Rates

- 5.14 Nationally, bank base interest rates have remained static at 0.5% in the period. 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.
- 5.15 Interest rates are not anticipated to increase until 2016/17, and even then at a modest rate.

Localisation of Council Tax Support

- 5.16 Whilst the council has put in place a scheme for the Localisation of Council Tax Support, the longer term impact on the council's budget is unknown. This is largely due to unknown future case load in the current downturn, which could conversely improve our position should the economy recover. Any future changes to the governments support for localised council tax support is also unknown, as the funding element that was made known to the council for 2013/14 will in future be rolled-in to the main Settlement Funding Assessment.
- 5.17 The scheme adopted by this council matched the previous Council Tax Benefit scheme but with an 8.5% reduction in entitlement for those of working age, changing to a 12% reduction in 2014/15.

Council Tax

- 5.18 The Government has again encouraged council's to freeze the level of council tax for 2014/15 through the offer of a further Council Tax Freeze Grant. In order to help facilitate this the Government have announced a Freeze Grant worth 1% for both 2014/15 and 2015/16 for those councils who decide to freeze their council tax. For Ribble Valley this would be a grant of approximately £32,000.
- 5.19 The budget proposals show a council tax freeze for Ribble Valley Borough Council in 2014/15 and a further freeze in 2015/16, followed by a 2% increase in 2016/17. It must be recognised that these are medium term forecasts, and such proposals may change as part of the regular review of the medium term financial strategy.
- 5.20 The Government intend that the council tax freeze funding for 2014/15 and 2015/16 should be built into the baseline for subsequent years. This 1% grant within the baseline would mean that if the ceiling for any council tax referendum was set at 1.5% by the government, then this council would have 'forfeited' 0.5% future council tax income for each year going forward. It is proposed that this 'lost' 0.5% council tax income is instead supplemented through the use of New Homes Bonus each year going forward, and this is reflected in the table above on the receipt and use of New Homes Bonus.

Other Specific Growth Pressures

- 5.21 Future pressure on services is anticipated due to the expected increase in housing in the borough. This could impact on an array of services, however the actual level of housing growth can't be anticipated year by year, nor the timing of any major impact on the ability to continue providing services at the level of current resources.
- 5.22 Whilst the council has seen increased levels of income from planning fees in recent years, it is anticipated that the council is likely to see a fall in future levels of planning fee income.

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- 5.23 Employee costs have remained relatively stable following recent pay freezes. The current year saw a pay award of 1% and the 2014/15 budget allows for a further 1% increase. The budget forecast for 2015/16 and 2016/17 allows for a potential 2% increase in overall employee costs.
- 5.24 The actuarial triennial review of the pension scheme has recently been carried out. This has resulted in net increased employer pension contributions of £73,560 for 2014/15.
- 5.25 With regard to waste recycling, we continue to experience uncertainty regarding recycling credits and income from the sale of paper and card. This will be kept under review in monitoring the medium term forecast going forward.

The Local Government Finance Act 2012

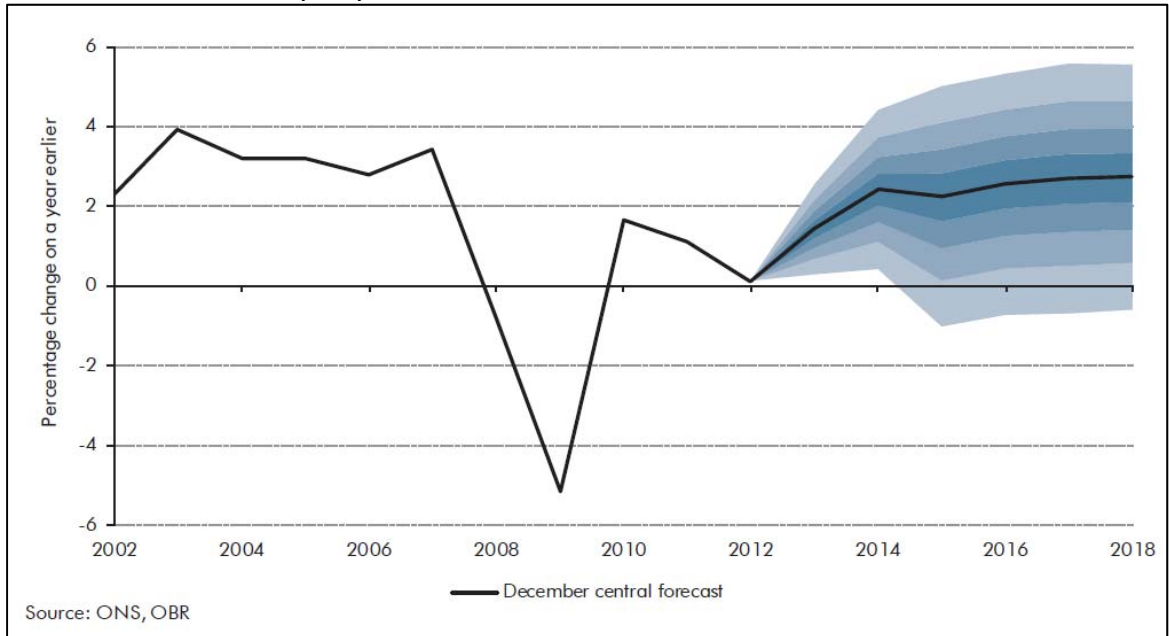
- 5.26 The *Local Government Finance Act 2012* allowed changes to the discounts on council tax for second homes and empty properties. From 1 April 2013, second homes may be charged 100% of their normal rate of council tax, instead of the previous maximum of 90%. "Unoccupied and substantially unfurnished" properties are subject to a discount of anything between 0% and 100% of their council tax, at the discretion of the billing authority. Properties undergoing "major repair work" or "structural alteration", which are vacant, can be subject to a discount of any amount between 0% and 100%, for a maximum of 12 months.
- 5.27 The full 50% discount must be retained on a second home where the liable person is required as part of his/her employment to live in job-related accommodation.
- 5.28 From 1 April 2013, local authorities can also set an 'empty homes premium' for long-term empty properties. Properties which have been unoccupied and substantially unfurnished for over two years may be charged up to 150% of the normal liability.
- 5.29 The Council decided when setting the 2013/14 tax base to leave the rates of our current discounts/exemptions unchanged mainly because of the introduction of the local council tax support scheme and the impact this would have on our tax base calculation.
- 5.30 However, having further considered the new flexibilities we will implement the following with effect from 1 April 2014:
- For long term empty properties (empty from 6 months up to 2 years) remove the current 50% discount which will mean owners are liable for the full 100% council tax due
 - Implement an empty homes premium of a further 50% for those properties still empty after a 2 year period

Autumn Statement and Office of Budget Responsibility – Economic and Fiscal Outlook

- 5.31 The Autumn Statement was presented to Parliament on 5 December 2013. Alongside the Autumn Statement, the Office of Budget Responsibility (OBR) released its latest Economic and Fiscal Outlook, containing the latest update on the economy and public finances.
- 5.32 The OBR has revised its forecast for GDP growth up from 0.6% to 1.4% in 2013 and from 1.8% to 2.4% in 2014. The OBR has forecast GDP growth of 2.2% in 2015, 2.6% in 2016 and 2.7% in 2017 and 2018. From 2012 to 2018, the OBR has revised up cumulative real GDP growth by 1.4 percentage points.

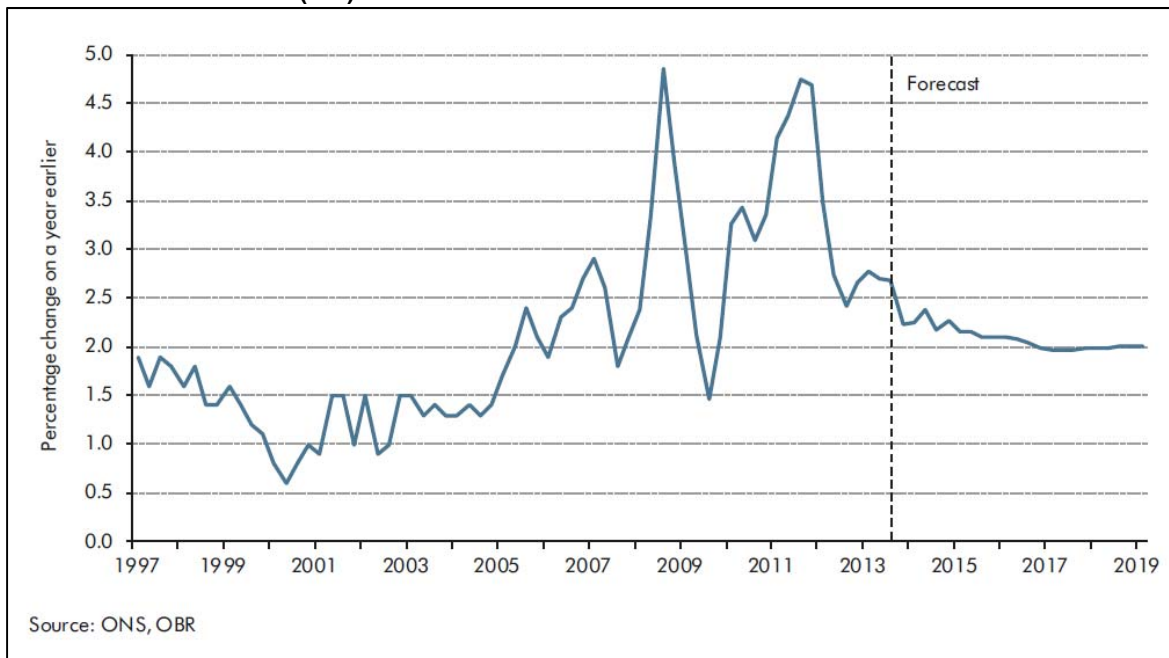
- 5.33 The chart below presents the government's central growth forecast with a fan showing the range of possible different outcomes based purely on past official forecasting errors. The solid black line shows their median forecast, with successive pairs of lighter shaded areas around it representing 20 per cent probability bands. It suggests that there is a roughly 20 per cent chance that the economy will shrink again in 2013, judging from past forecasting errors.

Gross Domestic Produce (GDP) Fan Chart



- 5.34 The OBR expects the rate of inflation to slow between 2013 and 2016, returning to the 2.0% target in the second half of 2016.

Consumer Price Increase (CPI) Inflation Forecast



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- 5.35 Inflation is expected to fall in the final quarter of 2013, as large rises in food prices in the final quarter of 2012 drop out of the calculation and as increases in tuition fees have less impact on the CPI. Also, petrol prices have fallen significantly over the start of the quarter, whereas they rose in the final quarter of 2012.
- 5.36 CPI inflation is then held above the Bank of England's 2 per cent target in 2014, partly as a result of recently-announced utility price increases. Inflation then slowly falls towards the Bank's target over 2015 and 2016, as utility prices are expected to increase at a lower rate and as the impact of tuition fee increases fade. Food price inflation is assumed to ease from its current elevated rate.

Other Factors

- 5.37 The continuing uncertainty surrounding the current economic downturn has substantially impacted on the council's resources, not least in the form of sustained reductions in returns on short-term investments. Additionally the council has seen reduced income levels from the fees and charges that the council sets, with the downturn mostly affecting income streams such as building regulations and land charges.
- 5.38 As the uncertainty of the economic climate continues such reduced income streams continue to impact on the council. The medium term financial strategy will therefore need to remain flexible to respond to any opportunities or threats that this external environment presents.
- 5.39 All known financial implications that are likely to arise from published strategies and plans across the council and other plans agreed with partners and other stakeholders have been considered in preparing this strategy.
- 5.40 This strategy contains the most up to date information at the time of drafting but the Council's financial position is dynamic. The Council faces a number of financial uncertainties that could affect the Council's financial position over the medium term, including:
- Central government policies;
 - Impact of market forces on costs;
 - Financial implications of technology;
 - Community expectations, potentially leading to demand for new or improved services.

6 Partnership Working and External Funding

- 6.1 The council is focused on working with partners in order to benefit the local communities and investigates opportunities for joint working with a wide range of partners.
- 6.2 The Council was a partner in the Lancashire Local Area Agreement (LAA), which was a process of agreeing community priorities for the county area based on district level community strategies and local priorities. Government reward funding was allocated to the LAA following achievement of the agreed performance targets. The community continues to benefit from the Performance Reward Grant that was previously received under the former LAA.
- 6.3 Specific partner funding or grant income is generally not assumed within the budget unless its allocation has been confirmed.
- 6.4 Key areas of partnership working within the borough at the time of producing this medium term financial strategy are noted below. However, the council remains keen to further the potential of working with other partners.

Partnership Working	Purpose
Community Safety Partnership	A partnership plan to address anti social behaviour, criminal activity, neighbourhood policing and alcohol harm awareness. Action days are organised by this group.
Lancashire Waste Partnership	To promote a culture whereby waste is recognised as a resource and there is acceptance of responsibility of minimising its production and maximising its recovery.
CRACS (Collaborative Research and Consultation Service)	A centralised research and consultation service to be utilised at partners convenience. Services include training to give colleagues skills and confidence to deliver research and consultation projects.
Ribble Valley Homes	The Council works with Ribble Valley Homes to provide housing services in the borough. Ribble Valley Homes is the largest registered social landlord operating in the borough and is the major provider of social housing.
Lancashire Enterprise Zone Partnership	A vehicle for supporting the delivery of the Lancashire Enterprise Zone. Comprising Ribble Valley, South Ribble and Fylde Borough Councils, Lancashire County Council and British Aerospace. The group meets fortnightly to coordinate putting in place statutory measures for delivering the project, maintaining close liaison between partners, co-ordinating links with the community and the Lancashire Economic Partnership.
Mid Lancashire Partnership	This group meets to co-ordinate activity in relation to Economic Development, Strategic Housing and Planning activities across the Mid Lancashire grouping of authorities, including South Ribble, Chorley, Preston, Lancaster, Ribble Valley and Lancashire County Council.
Children's Trust	Children's Trust has been established to take the strategic lead in the future development of services for children and young people. Within Lancashire, the structure includes a county-wide trust, cascading down to trust arrangements based on each district footprint.
Health and Wellbeing Partnerships	Health and Wellbeing Partnerships created within local government in an attempt to coordinate commissioning of NHS services, social care and health improvement.
Street Scene and Public Realm Agreement	The Engineering Services section works in partnership with Lancashire County Council to deliver locally a number of services under the Street Scene and Public Realm Agreement.

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- 6.5 Aside from the financial support from the Government in the form of Settlement Funding Assessment, the Council also receives grant funding for the provision of housing benefit payments to claimants within the borough. Payments are fully funded by grant from the government. The Council has budgeted to pay approximately £7m in housing benefit payments to claimants per annum.
 - 6.6 In the years prior to 2013/14 the council also received 100% grant from the government towards the payment of Council Tax Benefit. This was replaced in 2013/14 with a council tax discount, which is operated within the Collection Fund. From 1 April 2013 funding from the government was reduced by 10%, with the burden of this reduction falling on each precepting body. In February 2013 it was anticipated that for this council the cost of this reduction in funding would equate to approximately £21,760.
 - 6.7 This was to be funded through Second Homes monies and a reduction in the benefit, or discount in future years, for working age claimants of 12% in 2013/14, falling to 8.5% in subsequent years. The latest forecast for 2013/14 shows that the recovery of this reduced funding should be covered by the payments made by working age claimants.
 - 6.8 The council also receives an administration grant to help support the provision of service costs, which in 2014/15 will be approximately £187,880. This is a reduction of approximately £25,600 from that received in 2013/14.
 - 6.9 Further financial support is received from the Government towards the administration of business rates and in 2014/15 the council has budgeted to receive approximately £87,900.
 - 6.10 Substantial funding is received from Public Health Lancashire (PHL) and East Lancashire Clinical Commissioning Group (ELCCG) towards the provision of healthy lifestyle services and the Exercise Referral Scheme service. In 2014/15 the council has budgeted to receive £91,170 towards the provision of this service. At the moment funding is guaranteed until 31 March 2016, with uncertainty around future funding.
 - 6.11 Following extensive lobbying from SPARSE and RSN, the Government announced a small amount of grant funding for some authorities in rural areas. This council received £9,901 as a separate grant in 2013/14. For 2014/15 and 2015/16 the Government have announced that this grant will be £12,657. However, this will not be paid as a separate grant, but will instead be included within our Revenue Support Grant.
 - 6.12 Government support of the capital programme comes in the form of Disabled Facilities Grant. The grant is received with very specific conditions and is used to fully fund the disabled facilities grants that the Council award as part of the capital programme.
 - 6.13 All other external capital finance support is scheme specific and dependant on schemes included within the capital programme. There are currently two schemes in the 2014/17 capital programme where we look to receive third party funding contributions. Further additional approvals for other third party funded schemes may also take place over the coming period.

7 Initial Three Year Projections of Revenue Expenditure

- 7.1 The key aim of the MTFS is to develop a financial projection to determine the achievability and sustainability of the Council's planned service delivery over the next 3 years.
- 7.2 The Council has made a forecast of a three-year revenue budget based upon known commitments, inflationary pressures and including any significant expenditure and income items that are likely to arise. This forecast also includes estimates of resources from government grants and shows an indicative level of council tax.

- 7.3 The minimum amount of general fund balances has in the past been agreed at £700,000. The forecast within this Medium Term Financial Strategy keeps balances above this minimum, with a closing balance at 31 March 2017 anticipated of £1.081m. Council tax increases have been forecast at 0% for 2014/15 and 2015/16, with a 2.5% increase per annum thereafter.
- 7.4 The substantial uncertainty that surrounds future Government financial support for local government must be kept to the fore when reviewing the three year forecast shown below. The forecast below has been prepared with the assumption of inflation of 2% overall on employee costs and 2.5% on all other items. Government grant is assumed to fall by 10% in 2016/17 and by 5% in 2017/18.
- 7.5 A summary of the assumptions made in the forecast is shown below:
- Government grant is assumed to fall by 10% in 2016/17 and by 5% in 2017/18
 - Inflation has been allowed for at 2% on employee costs and 2.5% on all other items
 - Use of balances will be at approximately £150,000 p.a. from 2014/15 onwards
 - An increase in interest receipts to £60,000 in 2015/16 and £80,000 in 2016/17 based on an assumption that interest rates will see a minimal increase.
 - No new growth items that cannot be funded from efficiency savings or existing earmarked reserves.
 - No council tax surplus of deficit has been allowed for, based on current experience.
 - Increase in the council taxbase each of 1% based on current indications.
 - Council tax freeze in 2015/16 and an increase of 2.5% in 2016/17 and 2017/18

	2014/15 Forecast £	2015/16 Forecast £	2016/17 Forecast £	2017/18 Forecast £
Net Expenditure	6,456,374	6,696,000	6,995,000	7,213,399
Interest Receipts	-28,790	-30,000	-60,000	-80,000
Use of Superannuation Reserve	-36,175	-36,175	-36,175	-36,175
Council Tax Freeze Grant re 2014/15	-31,560	-31,560	-31,560	-31,560
Council Tax Freeze Grant re 2015/16	0	-31,560	-31,560	-31,560
Use of New Homes Bonus	-333,780	-333,780	-333,780	-333,780
(Use of)/Contribution to Balances	-150,000	-150,000	-150,000	-150,000
Savings Required		-576,392	-958,648	-1,145,305
Budget Requirement	5,876,069	5,506,533	5,393,277	5,405,019
Government Funding	-2,603,415	-2,204,012	-1,983,611	-1,884,430
Business Rate Growth	-262,926	-262,926	-262,926	-262,926
Collection Fund Deficit	0	0	0	0
Precept	3,009,728	3,039,595	3,146,740	3,257,663
Taxbase	21,391	21,605	21,821	22,039
Band D Council Tax	£140.69	£140.69	£144.21	£147.81
Projected Council Tax increase	0.00%	0.00%	2.50%	2.50%

7.6 The main reasons for the increase in net expenditure between years are shown below:

	2014/15 to 2015/16	2015/16 to 2016/17	2016/17 to 2017/18
	£	£	£
Movement in cost of services	239,626	299,000	218,399
Increased Interest Receipts	-1,210	-30,000	-20,000
Council Tax Freeze Grant re 2015/16	-31,560	0	0
Increased Savings Required	-576,392	-382,256	-186,657
Total Change in Budget Requirement	-369,536	-113,256	11,742

8 **General Fund Balance and Earmarked Reserves**

8.1 The impact of the forecast on the council's general fund balances is summarised in the table below. It is important to note that whilst the government funding has been indicated for the next two years, there remains uncertainty around 2016/17 and around any level of business rates growth that is retained.

8.2 The information provided below is based on an assumption of inflation at 2% on employee costs and 2.5% on all other items, and Government grant falling by 10% in 2016/17 and by 5% in 2017/18.

8.3 The impact of the above on council general fund balances is shown below. The minimum recommended level of balances is £700,000.

	2013/14	2014/15	2015/16	2016/17	2017/18
	£	£	£		£
Brought Forward	1,699,748	1,800,946	1,650,946	1,500,946	1,350,946
(Use of)/Contribution to Balances	101,198	-150,000	-150,000	-150,000	-150,000
Carried Forward	1,800,946	1,650,946	1,500,946	1,350,946	1,200,946

8.4 As with any plan spanning a number of years it is only prudent to consider the associated risks. As previously stated, although the Government has provided details of what the council will receive in 2014/15 and provisional details for 2015/16 it is still unknown what the council will receive in 2016/17 and onward, particularly around the future level of business rates growth retention that the council will see. To protect against the potential volatility around business rates retention, an earmarked reserve was created at 31 March 2013, and the level of this will continue to be reviewed closely.

8.5 Other service pressures that are currently impacting on the council's budget focus around the planning service. Earmarked reserves are playing a vital role in this area in allowing the council flexibility in its approach to meeting these demands in a timely manner.

8.6 The Council have a number of earmarked reserves that have been set up voluntarily in order to provide for future spending plans. The table below shows the expected movement in these reserves over the life of this medium term financial strategy.

Earmarked Reserves	Balance at 31 March 2013 £	Balance at 31 March 2014 £	Balance at 31 March 2015 £	Balance at 31 March 2016 £	Balance at 31 March 2017 £
<u>Local Recreation Grants Fund</u> <i>Used to fund recreation grants</i>	26,661	4,901	4,901	0	0
<u>Elections Fund</u> <i>Used to fund borough elections held once every four years</i>	40,059	56,249	77,699	99,689	122,229
<u>Audit Reserve Fund</u> <i>Used for computer audit</i>	12,335	12,335	12,335	12,335	12,335
<u>Building Control Fund</u> <i>Available to equalise net expenditure over a three year period</i>	-119,421	-112,741	-110,971	0	0
<u>Rural Development Reserve</u> <i>Used to fund consultation work on rural housing</i>	1,631	1,631	1,631	1,631	1,631
<u>Capital</u> <i>Used to fund the capital programme</i>	399,358	457,865	515,865	500,865	500,865
<u>Insurance</u> <i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	16,748	16,748	16,748	16,748	16,748
<u>Christmas Lights/RV in Bloom</u> <i>Available to fund contributions towards Christmas Lights and Ribble Valley in Bloom</i>	1,286	626	626	0	0
<u>Community Enhancement</u> <i>Used to fund grants to local organisations</i>	11,419	11,419	11,419	11,419	11,419
<u>Rent Deposit Reserve</u> <i>Set aside for homeless rent deposits</i>	7,837	7,837	7,837	7,837	7,837
<u>LALPAC Licensing System</u> <i>To fund costs of LALPAC licensing system</i>	1,424	1,424	1,424	1,424	1,424
<u>IT Equipment</u> <i>To fund future software and hardware upgrades</i>	48,393	48,393	48,393	48,393	48,393
<u>Conservation Reserve</u> <i>To fund conservation schemes completed after the financial year end</i>	6,210	6,210	6,210	6,210	6,210
<u>Concessionary Travel</u> <i>To fund the transfer of the administration of the scheme to upper tier local authorities</i>	40,026	40,026	40,026	40,026	40,026
<u>Fleming VAT Claim</u> <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	239,926	239,926	239,926	239,926	239,926
<u>Repairs and Maintenance</u> <i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>	29,299	29,299	29,299	29,299	29,299

Earmarked Reserves	Balance at 31 March 2013 £	Balance at 31 March 2014 £	Balance at 31 March 2015 £	Balance at 31 March 2016 £	Balance at 31 March 2017 £
<u>Post LSVT</u> <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	401,637	365,462	329,287	293,112	256,937
<u>Market Town Enhancement</u> <i>To fund grants under Market Towns Enhancement Scheme</i>	6,643	6,643	6,643	6,643	6,643
<u>Performance Reward Grant</u> <i>Performance Reward Grant received and yet to be distributed to successful schemes</i>	373,832	259,742	209,042	123,457	123,457
<u>Refuse Collection</u> <i>To fund refuse collection costs of bin replacements</i>	18,000	18,000	18,000	18,000	18,000
<u>Restructuring Reserve</u> <i>To fund costs resulting from restructuring reviews</i>	227,541	227,541	227,541	227,541	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>	1,498,434	1,577,055	1,770,355	1,626,355	1,681,355
<u>Revaluation of Assets Reserve</u> <i>To contribute towards the revaluation of the Council's assets every five years.</i>	6,000	8,000	0	2,000	4,000
<u>Clean Air Reserve</u> <i>To fund clean air survey work</i>	3,641	3,161	2,681	2,201	1,721
<u>Equipment Reserve</u> <i>To fund essential and urgent equipment requirements</i>	43,170	34,560	34,560	34,560	34,560
<u>Forest of Bowland Reserve</u> <i>To fund access improvement schemes within the Ribble Valley section of the Forest of Bowland</i>	34,646	29,646	29,646	29,646	29,646
<u>Invest to Save Fund</u> <i>To fund future invest to save projects</i>	250,000	250,000	250,000	250,000	250,000
<u>Land Charges Reserve</u> <i>To fund any potential restitution claims for personal search fees</i>	34,356	33,346	33,346	33,346	33,346
<u>Pendle Hill User Reserve</u> <i>To fund improvement schemes on Pendle Hill</i>	13,512	13,702	13,702	13,702	13,702
<u>Planning Reserve</u> <i>To fund any future potential planning issues</i>	309,071	155,191	155,191	155,191	155,191
<u>Crime Reduction Partnership Reserve</u> <i>To fund cost of crime reduction initiatives</i>	29,475	25,805	225	0	0

Earmarked Reserves	Balance at 31 March 2013 £	Balance at 31 March 2014 £	Balance at 31 March 2015 £	Balance at 31 March 2016 £	Balance at 31 March 2017 £
<u>Housing Benefit Reserve</u> <i>To help meet the challenges facing the service in the coming years</i>	100,000	100,000	100,000	100,000	100,000
<u>Wellbeing and Health Equality</u> <i>To fund expenditure on Wellbeing and Health</i>	47,428	42,428	42,428	0	0
<u>Exercise Referral Reserve</u> <i>To fund potential residual staffing costs</i>	6,157	13,707	6,157	6,157	0
<u>Clitheroe Cemetery Reserve</u> <i>To finance any future liabilities from the cemetery extension</i>	3,640	3,640	3,640	3,640	3,640
<u>New Homes Bonus Reserve</u> <i>To help support both the revenue and capital budgets</i>	121,691	339,420	478,447	891,474	1,552,501
<u>Core Strategy Reserve</u> <i>To fund the production of the Core Strategy</i>	160,097	0	0	0	0
<u>Emergency Planning Reserve</u> <i>To fund the production of District Emergency and Business Continuity Plans</i>	1,270	0	0	0	0
<u>CCTV Reserve</u> <i>To fund purchase of additional CCTV Equipment</i>	1,000	1,000	1,000	0	0
<u>Warm Homes Healthy People Reserve</u> <i>Residual grant received, to be committed to future grant schemes</i>	29,931	0	0	0	0
<u>Business Rates Volatility Reserve</u> <i>To provide some protection against business rates volatilities</i>	135,904	135,904	259,981	259,981	259,981
<u>Community Right to Bid/Challenge</u> <i>To fund any future costs under the Community Right to Bid and Community Right to Challenge Regulations</i>	13,420	29,820	46,220	46,220	46,220
<u>Voluntary Organisation Grant Reserve</u> <i>To fund schemes carried out by the Voluntary Sector</i>	3,720	0	0	0	0
<u>Grant Funded Sports Development</u> <i>To finance future Sports Development grant funded expenditure</i>	6,283	0	0	0	0
<u>Human Resource Development</u> <i>To provide for staff training commitments</i>	3,100	0	0	0	0
	4,646,790	4,495,921	4,921,460	5,139,028	5,836,783

9 Capital Programme 2013/14 – 2015/16

- 9.1 The Capital Programme is an important element of the Medium Term Financial Strategy and as such the main elements are shown below.
- 9.2 The Prudential Code plays a key role in capital finance in local authorities. Councils determine their own programmes for capital investment in fixed assets that are central to the delivery of quality public services. The Prudential Code was developed by CIPFA, the Chartered Institute of Public Finance and Accountancy, as a professional code of practice to support councils in making their decisions. Local authorities are required by Regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003.
- 9.3 A sound capital programme must be driven by the desire to provide high quality, value for money public services. The Prudential Code recognises that in making its capital investment decisions the council must have explicit regard to option appraisal, asset management planning, strategic planning for the council and achievability of the capital programme.
- 9.4 The Prudential Code does not specify how the council should have regard to these factors. Instead it concentrates on the means by which the council will demonstrate that its proposals are affordable, prudent and sustainable.
- 9.5 The Council has always sought to maximise funding for capital, including any from revenue sources, within a prudential framework.
- 9.6 The Council's funding policy has been to set programmes which address its key priorities and to fund these by utilising prudential borrowing, capital receipts (both in hand and anticipated in year) and earmarked reserves such as the capital reserve and VAT shelter in a corporate approach, thus providing the maximum investment position.
- 9.7 The Council's proposed capital programme at the time of producing this medium term financial strategy is reproduced at Annex 1. The table below shows a summary of the proposed capital programme. The council's policy is to maintain the capital reserve at a level above the minimum recommended balance of £350,000. The table shows that the balance of the capital reserve will remain above this level for the life of the capital programme.

	2014/15	2015/16	2015/16	Total
	£	£	£	£
Total of all Proposed Schemes	372,560	922,500	638,000	1,933,060
Resources Available in the year	-372,560	-922,500	-623,000	-1,918,060
Balance of Resources Brought Forward	-484,462	-484,462	-484,462	-484,462
Balance Remaining	-484,462	-484,462	-469,462	-469,462

10 Risk Assessment and Sensitivity

10.1 There are a number of risks with the medium term financial strategy as fluctuations in some of the underlying assumptions can produce significant changes to the forecast.

10.2 The table below shows some of the areas of sensitivity and the potential impact on the strategy, based on the original estimate for 2014/15.

Area of Sensitivity	Percentage Fluctuation	Annual Impact on Budget
Pay Award	0.50%	£18,630
Energy Costs	5.00%	£7,130
Short Term Investment Interest Rates	0.25%	£14,400
Fees and Charges	1.00%	£22,140
Service Specific Government Grants	1.00%	£77,610
Other Grants and Contributions	1.00%	£11,320
Settlement Funding Assessment	1.00%	£26,030

10.3 In terms of impact on the council tax, each budget adjustment of £100,000 has the effect of changing council tax at Band D equivalent by £4.67 or 3.3%.

10.4 On the other hand, for every 1% increase in the level of 2014/15 council tax charge, an additional £30,100 council tax revenue would be raised and therefore, for every 1% decrease in the level of council tax revenue £30,100 savings would need to be identified or alternative funding such as use of balances would need to be found.

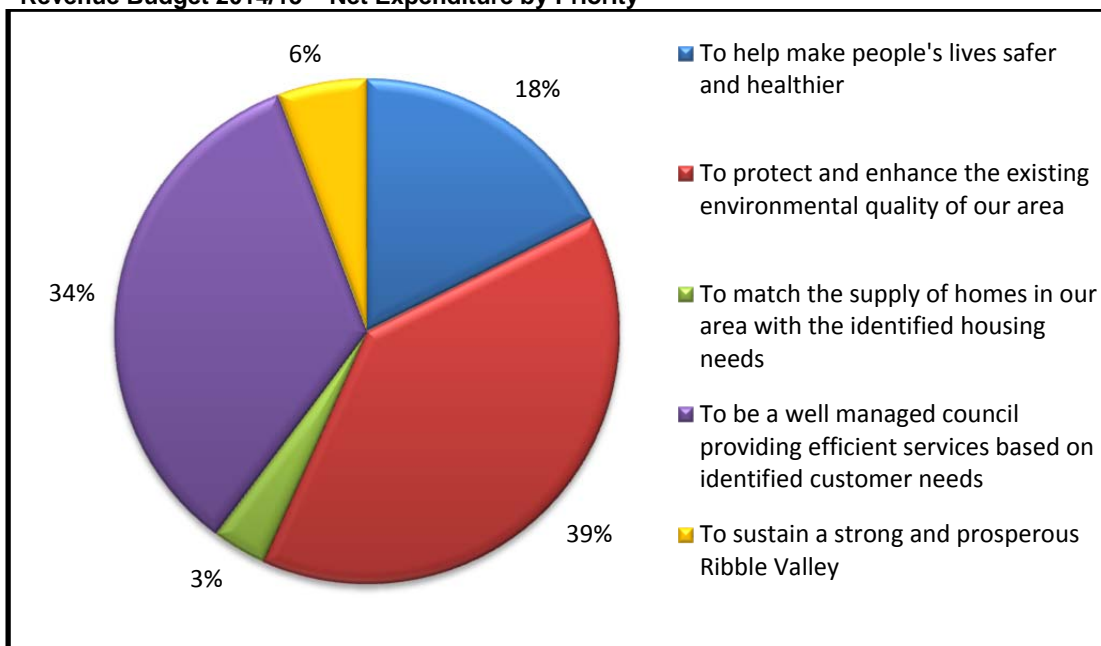
10.5 In terms of the Settlement Funding Assessment that is received for 2014/15 (including anticipated growth), this will support approximately 46% of the Council's budget requirement and so any variation has a major impact. A variation of 1% in this funding (before anticipated growth) would amount to £26,030.

Risk	Level	Mitigation
Past savings that have been identified by Heads of Service do not continue to be achieved	Medium	Regular monitoring of budgets and meetings with Heads of Service where savings have been identified in order to enable early corrective action if required
A financial institution that has been invested in is unable to repay the principle sum to the Council	Medium	This risk is managed through the Treasury Management Strategy. The markets are regularly monitored and discussions held with the Director of Resources, Head of Financial Services and Senior Accountant daily.
Future Settlement Funding Assessment for 2016/17 and onwards sees further substantial reduction	High	Further service savings would need to be identified or there would need to be an increased use of balances. The forecast anticipates a fall of 10% in 2016/17 and 5% in 2017/18
Business Rates Growth Retention	High	There is a high level of uncertainty around the future level of business rates growth, or downturn. Whilst the council is protected to an extent by the government setting a Safety Net Threshold, we will continue to maintain a Business Rate Volatility earmarked reserve in order to cushion future fluctuations
Expenditure is not contained within the approved budgets	Low	The council has a well developed budget monitoring process which enables early identification of variances and allows corrective action to be taken.

11 Links to Ambitions and Priorities

11.1 All budgets are linked to the Council's priorities and these links were identified throughout the budget setting process. The table below shows our planned net revenue budget for 2014/15 broken down over the Council priorities.

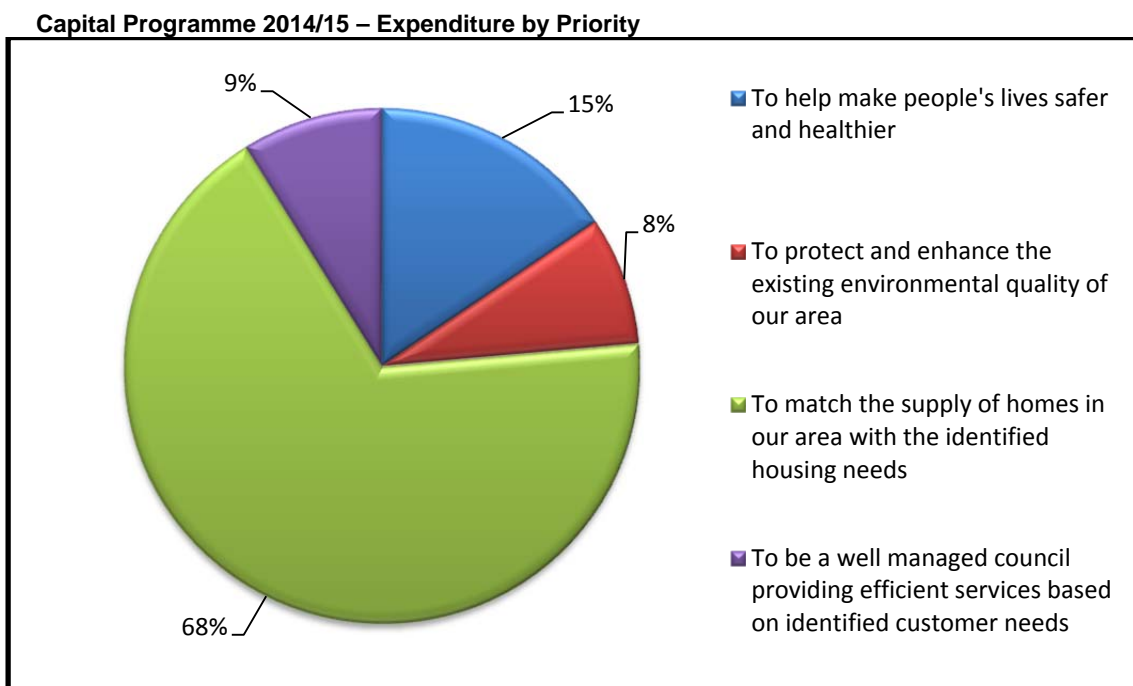
Revenue Budget 2014/15 – Net Expenditure by Priority



11.2 As with revenue budgets, all proposed capital schemes are linked to the Council's priorities. The evaluation process also required Heads of Service to submit detailed bid forms for new capital schemes. These included such information as:

- Link to priorities
- Statutory or legal obligations
- Performance management
- Efficiency and Value for Money
- Consultation
- Start Date and Milestones
- Useful Economic Life
- Environmental Impact
- Capital and Revenue Implications
- Whole Life Cost
- Risk Assessment
- Consequences of Delay or Deletion

11.3 The table below shows our planned capital programme for 2014/15 broken down over the Council priorities.



Forward Capital Programme – 2014/15 to 2016/17

Schemes	2014/15 £	Budget Moved from 2013/14 £	Total for 2014/15 £	2015/16 £	2016/17 £
<u>Community Services Committee</u>					
Play Area Improvements	30,000		30,000	40,000	40,000
Castlefield Toilets Refurbishment Scheme	33,000		33,000		
Installation of 3G Artificial Pitch Surface	47,000		47,000		
Replacement of Geesink 26t RP HGV Refuse Collection Vehicle				210,000	
Replacement of 4 x 4 Tractor/Mower (PNO4 NPZ)				17,000	
Replacement of Kubota Mower PN05 PLO				19,000	
Replace Scag Mower				9,000	
Two Heavy Goods Trailers				6,000	
Replacement of 2 Tri Star Mowers				16,000	
Replacement of Waste Transfer Station Loader Shovel				75,000	
Replacement of multi use panel van (currently Vauxhall Vivaro)				12,000	
All Weather Pitch Lighting					15,000
Replacement of Scag Mower with equivalent spec vehicle					10,000
Replacement of John Deere Gang Mower Tractor (PN05 UKE)					45,000

Forward Capital Programme – 2014/15 to 2016/17

Schemes	2014/15 £	Budget Moved from 2013/14 £	Total for 2014/15 £	2015/16 £	2016/17 £
Replacement of 2 x Open Backed Single Bodied Paper Collection Vehicle (VX55 KXD & VU06 TKN)					30,000
Replacement of MAN 7.7 RO-RO Truck (PN06 FRV) with equivalent spec vehicle					38,000
Replacement of Salthill Depot Multi Use Fork Lift Truck					25,000
Replacement of Works Section Small Van -Ford Transit PF09 DHX (Toilet Van)					12,000
Replacement of Works Section Panel Van PK06 HKA (currently Vauxhall Vivaro) with a smaller van					12,000
Total Community Services Committee	110,000	0	110,000	404,000	227,000
<u>Policy and Finance Committee</u>					
Clitheroe Townscape Scheme				115,000	
Council Offices - Re-roofing Scheme				167,500	
Total Community Services Committee	0	0	0	282,500	0
<u>Health and Housing Committee</u>					
Replacement of Pest Control Vehicle PO07 WPB	11,000		11,000		
Disabled Facilities Grants	119,540	10,000	129,540	161,000	161,000
Landlord/Tenant Grants	75,000	20,000	95,000	75,000	75,000
Repossession Prevention Fund		27,020	27,020		

Forward Capital Programme – 2014/15 to 2016/17

Schemes	2014/15 £	Budget Moved from 2013/14 £	Total for 2014/15 £	2015/16 £	2016/17 £
Clitheroe Market Improvements					175,000
Total Community Services Committee	205,540	57,020	262,560	236,000	411,000
Total for all Committees	315,540	57,020	372,560	922,500	638,000