

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 10 FEBRUARY 2015
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 2015/16 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 (2015/16 plus 2 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 2015/16 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

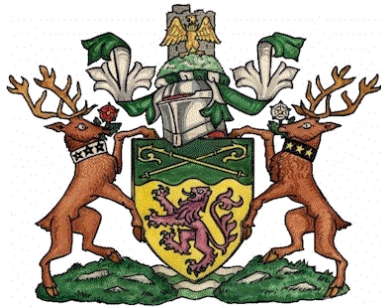
4.1 Approve the Medium Term Financial Strategy for 2015/16 to 2017/18.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF17-15/LO/AC
3 February 2015

February 2015



Ribble Valley Borough Council

Medium term financial strategy

2015/16 to 2017/18

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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 2015/16 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

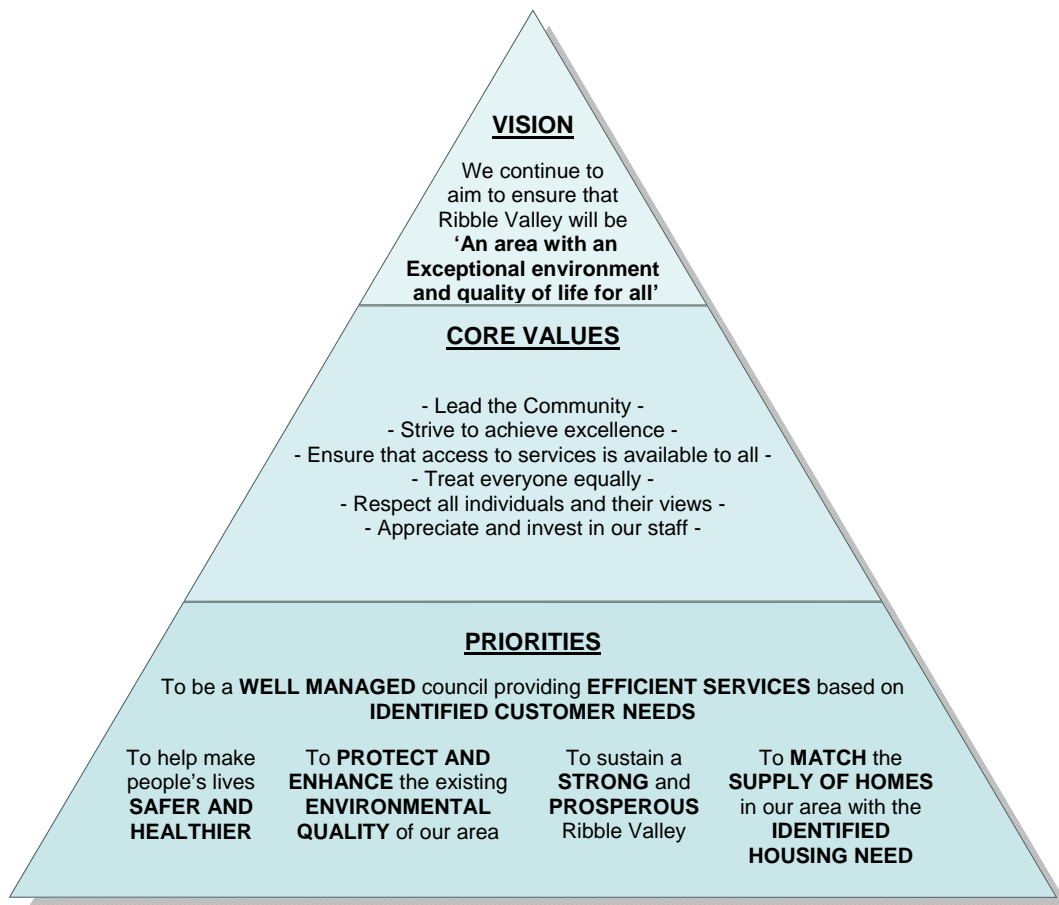
An area with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors.

- 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 4.2% compared with the national average of 6.5%)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 8.2% 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 2,400 jobs in tourism-related businesses.
- 3.5 One of the largest employment sectors in Ribble Valley is manufacturing, which accounts for 22.6² 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 micro enterprises employing 0-9 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 ratio of lower quartile house price to lower quartile earnings is 7.45, which is the highest in Lancashire and one of the highest in the North. The mean house price sale in Ribble Valley as at April – June 2013 was £222,968³. In Lancashire the mean house price sale was £151,012 over the same period.

Resident Population and Projections

- 3.7 According to the ONS Census figures, the total resident population of the Borough reached 57,900⁴ during 2013. Life expectancy within the Ribble Valley is currently 80.5 for males and 84.0 for females⁵. According to ONS projections, the resident population of the Borough is predicted to increase by an additional 2,100 people over the next few years to reach a total of 60,000 Borough residents by 2027.⁶ 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 2013 to September 2014)

² NOMIS - Business register and Employment Survey (BRES) 2013

³ GOV.UK - Land Registry Data April – June 2013

⁴ Office for National Statistics 2013 Population Estimate

⁵ Ribble Valley 2014 Health Profile produced by the English Public Health Observatories

⁶ Office for National Statistics interim 2012-based Subnational Population Projections (May 2014)

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 2014²³, 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 600 children live in poverty. About 11.4% 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 19.4% of expectant mothers smoke during pregnancy.
- 3.24 The rate of road injuries and deaths of 69.2 per 100,000 population is significantly higher than the England average of 40.5 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 2013/14 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 £7.151 million.
- General Fund Balances: £2.058m
 - Earmarked Reserves: £5.093m
- 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 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 in 2015/16 and £200,000 per annum thereafter from General Fund balances to support the revenue budget.
- 4.8 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.
- 4.9 The level of overall capital reserves has been a matter of concern over recent years. These have been somewhat depleted. At the 31 March 2015 it is estimated that the capital reserve earmarked reserve will be above the minimum recommended level of £350,000 and will remain so until the end of the forward capital programme.

5 **National Context and Other External Factors**

The Local Government Finance Settlement (2015/16)

- 5.1 On 18th December 2014, Kris Hopkins MP, the Minister for Local Government announced the provisional local government finance settlement for 2015-16.
- 5.2 The headline for this council was that provisional “spending power” (as defined by the Government) would reduce by 1% in 2015/16. However, when we compare the figures for our Settlement Funding Assessment (SFA) our analysis of the change in cash terms shows a fall of 14% (£2.604m to £2.241m)

Local Government Finance Settlement – Settlement Funding Assessment

Financial Year	£'000	Percentage Decrease from 2014/15
2014/15	2,604	-
2015/16 – Provisional	2,241	-14%

- 5.3 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 baseline funding to be received through Business Rates in 2015/16 has been confirmed by the government as part of the Settlement Funding Assessment. The council also knows the corresponding level of business rates growth, above the baseline, that it is likely to receive in 2015/16, based on the completion of government return NNDR1.
- 5.6 Any further growth (or the impact of any decline) that occurs in the 2015/16 financial year, over and above that forecast in the government return NNDR1, will not be benefitted from until future years, through the distribution of any surplus on the collection fund relating to business rates. This is declared to the government and the major precepting bodies through the completion of government return NNDR3 at the end of the financial year.
- 5.8 As a result of the volatility around business rates, 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 2015/16 (£1,167m)

5.12 Our allocation for 2014/15 was £594,807 and for 2015/16 will be £968,616. 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 Award	Received 2011/12 £	Received 2012/13 £	Received 2013/14 £	Received 2014/15 £	Final 2015/16 £	Provisional 2016/17 £	Provisional 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
Granted 2014/15				227,109	227,109	227,109	227,109
Provisional 2015/16					373,809	373,809	373,809
Estimated 2016/17						?	?
Estimated 2017/18							?
Total	62,046	179,645	367,698	594,807	968,616	968,616	906,570
New Homes Bonus Commitments¹	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Revenue	-60,000	-60,000	-60,000	-333,780	-676,065	-676,065	-676,065
Capital	0	0	-100,000	-63,000	-125,000	-62,000	-200,000
Total	-60,000	-60,000	-160,000	-396,780	-801,065	-738,065	-876,065
Unallocated in Year	2,046	119,645	207,698	198,027	167,551	230,551	30,505
Unallocated Cumulative	2,046	121,691	329,389	527,416	694,967	925,518	956,023

² The Commitments section of the above table assumes continued use of New Homes Bonus at the level agreed for 2015/16

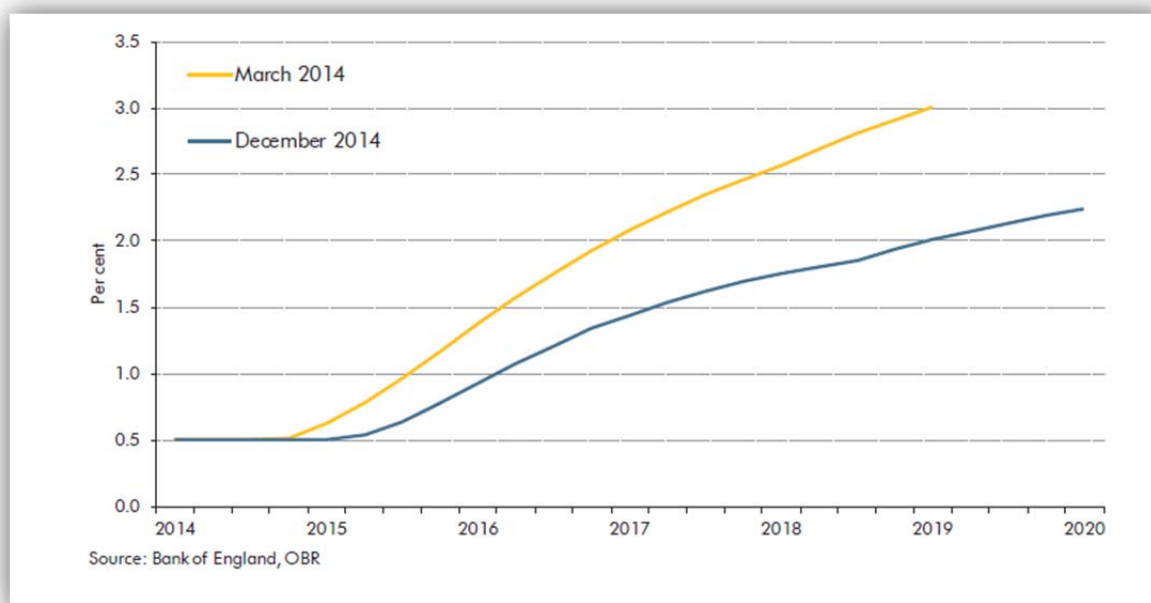
5.13 The unallocated cumulative totals as shown above are added to an earmarked reserve and will be used to meet future revenue and capital pressures; however, at this stage it is anticipated that it is more likely to be used to meet the pressures anticipated on the revenue budget.

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 2017/18, and even then at a modest rate. Based on information provided by the Office of Budget Responsibility (OBR), relative to expectations in March, markets expect Bank Rate to rise later and by significantly less over the next five years. Bank Rate is now expected to reach 2.0 per cent in the first quarter of 2019, two years later than forecast in March 2014.

- 5.16 The table below shows the comparison of market expectations of Bank Rate in March 2014, to the expectations in December 2014.



Localisation of Council Tax Support

- 5.17 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 is now rolled-in to the main Settlement Funding Assessment.
- 5.18 The scheme adopted by this council matched the previous Council Tax Benefit scheme but with a 12% reduction in entitlement for those of working age. The scheme costs continue to be closely monitored.

Council Tax

- 5.19 The Government has again encouraged council's to freeze the level of council tax for 2015/16 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 2015/16 for those councils who decide to freeze their council tax. For Ribble Valley this would be a grant of approximately £32,380.
- 5.20 The budget proposals show a council tax freeze for Ribble Valley Borough Council in 2015/16 followed by a 2% increase in 2017/18 and 2018/19. 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.

Other Specific Growth Pressures

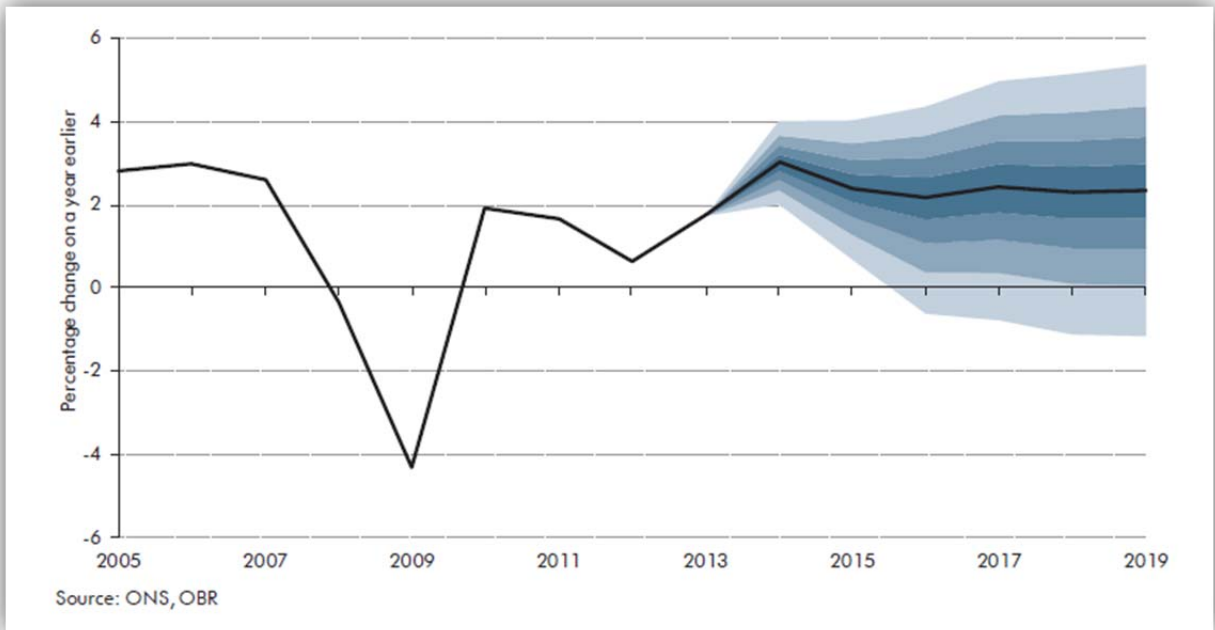
- 5.21 Future pressure on services is anticipated due to the expected increase in housing in the borough. This could impact on an array of services, however the actual level of housing growth can't be anticipated year by year, nor the timing of any major impact on the ability to continue providing services at the level of current resources.

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- 5.22 Whilst the council has seen increased levels of income from planning fees in the recent past, it is anticipated that the council is likely to continue to see a fall in future levels of planning fee income. There are a number of appeals outstanding and we cannot estimate at this stage how much these may cost to defend.
- 5.23 The Core Strategy has now been adopted and we now move to the next stage of the process which is site allocation. There is some funding left within the Core Strategy budget that can be used for any costs arising, but more may be required. This would be funded from reserves if it proved necessary.
- 5.24 Employee costs have remained relatively stable following recent pay freezes. The current year saw a two year pay award of 2.2% and the 2015/16 budget includes the impact of this. The budget forecast for 2016/17 and 2017/18 allows for a potential 2% increase in overall employee costs.
- 5.25 In April 2016 a change to the pension regulations means that contracted out schemes like the Local Government Pension Scheme will no longer benefit from reduced National Insurance employer contributions. At this stage it is anticipated that this will result in increased costs for this council of approximately £90,000.
- 5.26 This regard to recycling and refuse collection, the council's Community Committee considered a report on the options available to the council following the withdrawal of recycling credits by Lancashire County Council from April 2015, They are minded to sign up to cost sharing offered by Lancashire County Council, which would be paid until 2018. The net loss in budgeted income by signing up to this agreement would be £25,000 each year. From 2018 Lancashire County Council have indicated that cost sharing will cease. This would result in further lost income of around £430,000 per annum.
- 5.27 The borough is to share the hosting of a stage of the Tour of Britain cycle race with Pendle. The costs falling on this council are likely to be in the region of £90,000. This will be funded from existing Earmarked Reserves.

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

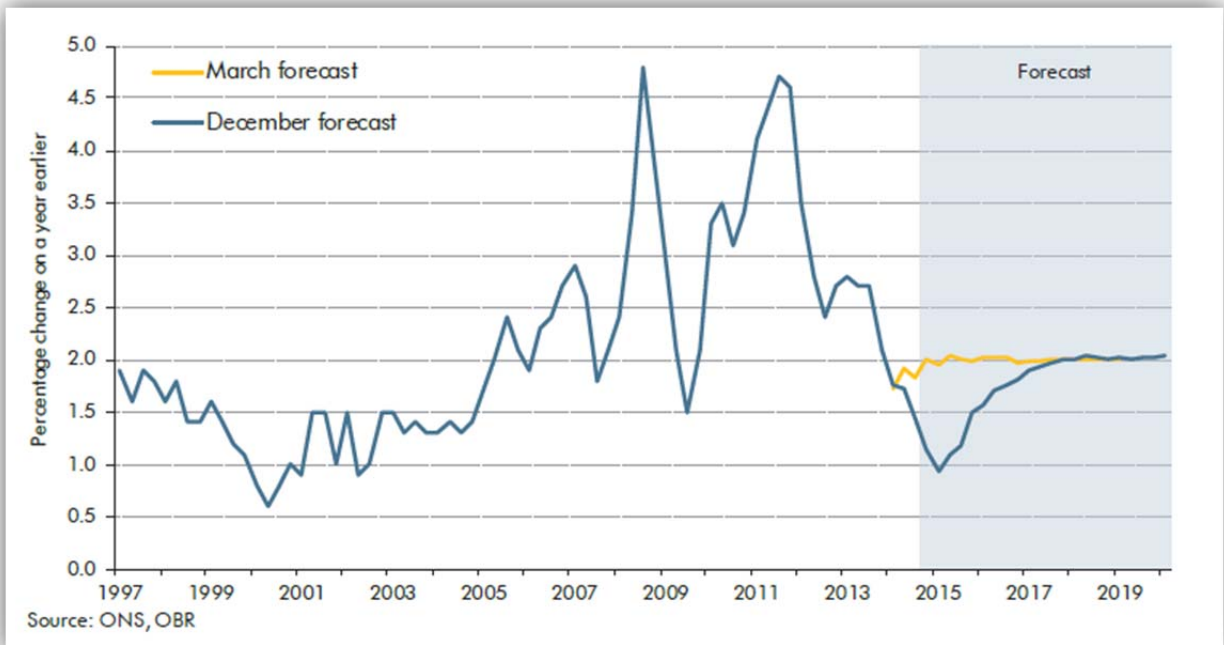
- 5.31 The Autumn Statement was presented to Parliament on 3 December 2014. Alongside the Autumn Statement, the Office of Budget Responsibility (OBR) released its latest Economic and Fiscal Outlook, containing the latest update on the economy and public finances.
- 5.32 The OBR has revised its forecast for GDP growth to 3.0% in 2014 and 2.4% in 2015. The OBR has forecast GDP growth of 2.2% in 2016, 2.4% in 2017 and 2.3% in 2018 and 2019. The forecast for cumulative real GDP growth between the fourth quarter of 2013 and the start of 2019 is slightly lower than the March forecast (13.4 versus 13.7 per cent).
- 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.

Gross Domestic Product (GDP) Fan Chart



5.34 The OBR expects the rate of inflation to slow between 2014 and 2017, possibly falling even further, but it is anticipated to return to the 2.0% target at the end of 2017. This is consistent with the Bank of England’s November 2014 *Inflation Report* forecast.

Consumer Price Increase (CPI) Inflation Forecast



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- 5.35 CPI inflation has fallen by more than expected in the OBR forecast in March 2014. Inflation was 0.4 percentage points below forecast in the third quarter of 2014. Food price inflation has continued to fall more quickly than expected, as domestic production.
- 5.36 There were also larger-than-expected falls in petrol and diesel prices as oil prices fell below the OBR forecast in March 2014. The trade-weighted exchange rate has also been stronger than assumed, putting downward pressure on items with a high import component, including food prices.
- 5.37 In summary, the main factors that have impacted on CPI inflation are:
- lower food price inflation, thanks to good domestic and international harvests, sterling appreciation and more intense supermarket price competition;
 - lower petrol and diesel prices. Dollar oil prices have fallen much more than assumed by the OBR in March and sterling has appreciated, reducing fuel prices;
 - lower inflation for import-intensive goods. Again, sterling appreciation has reduced prices for goods with high import content; and
 - lower-than-expected unit labour costs. Average earnings growth has continued to be weaker than expected, outweighing the shortfall in productivity.

Other Factors

- 5.38 The continuing uncertainty surrounding the current economic downturn has substantially impacted on the council's resources, not least in the form of sustained low return on short-term investments. With the forthcoming general election, uncertainty around future local government funding has increased. Over recent years there has been the benefit of two year settlements (year two being provisional) which has allowed some level of short to medium term planning. With no indication of local government funding from 2016/17 onwards, medium to longer term planning is shrouded in uncertainty, although most political parties are indicating continued reductions in future local government funding.
- 5.39 The medium term financial strategy will need to remain flexible to respond to any opportunities or threats that are presented to the council.
- 5.40 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.
- 5.41 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 Specific partner funding or grant income is generally not assumed within the budget unless its allocation has been confirmed.
- 6.3 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.
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.
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.

- 6.4 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 £7.5m in housing benefit payments to claimants per annum.
- 6.5 The council also receives an administration grant to help support the provision of service costs, which in 2015/16 will be approximately £165,340. This is a reduction of approximately £22,540 from that received in 2014/15.
- 6.6 Further financial support is received from the Government towards the administration of business rates and in 2015/16 the council has budgeted to receive approximately £90,490.
- 6.7 Substantial funding is received from Public Health Lancashire (PHL) and East Lancashire Clinical Commissioning Group (ELCCG) (via Lancashire County Council) towards the provision of healthy lifestyle services and the Exercise Referral Scheme service. In 2015/16 the council has budgeted to receive £90,360 towards the provision of this service. At the moment funding is guaranteed until 31 March 2016, with uncertainty around future funding.

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- 6.8 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 announced that this grant would be £12,657. However, this is no longer paid as a separate grant, but instead is included within our Revenue Support Grant.
- 6.9 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. The method by which this funding will be passed to this council will change from 2015/16, being paid directly to Lancashire County Council as part of Better Care Funding. Lancashire County Council are charged with passporting the disabled facility grants element of this funding directly on to this council. Our funding for disabled facility grants will increase to £161,000 in 2015/16 (£119,540 in 2014/15)
- 6.10 All other external capital finance support is scheme specific and dependant on schemes included within the capital programme. There are currently three schemes in the 2015/18 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 2018 anticipated of £1.669m. Council tax increases have been forecast at 0% for 2015/16 and 2% for 2016/17 and 2017/18.
- 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% on all other items. Government grant is assumed to fall by 10% in each year from 2016/17.
- 7.5 A summary of the assumptions made in the forecast is shown below:
- Government grant is assumed to fall by 10% in each year from 2016/17
 - Inflation has been allowed for at 2% on employee costs and 2% on all other items
 - Use of balances will be at approximately £150,000 in 2015/16 and by £200,000 p.a. from 2016/17 onwards
 - An increase in interest receipts to £26,000 in 2016/17 and £40,000 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 or deficit has been allowed for after 2015/16.
 - Increase in the council taxbase each of 1% based on current indications.
 - Council tax freeze in 2015/16 and an increase of 2% in 2016/17 and 2017/18

	2014/15 Forecast £	2015/16 Forecast £	2016/17 Forecast £	2017/18 Forecast £
Net Expenditure	6,143,605	6,498,800	6,977,000	7,181,591
Interest Receipts	-26,160	-25,260	-26,000	-40,000
Use of Superannuation Reserve	-36,175	-36,175	-36,175	-36,175
Council Tax Freeze Grant re 2014/15	-32,048	0	0	0
Council Tax Freeze Grant re 2015/16	0	-32,380	-32,380	-32,380
Use of Business Rates Growth	-262,926	-262,926	-262,926	-262,926
Use of New Homes Bonus	-333,780	-676,065	-676,065	-676,065
(Use of)/Contribution to Balances	160,981	-150,000	-200,000	-200,000
Savings Required	0	0	-581,311	-878,558
Budget Requirement	5,613,497	5,315,994	5,162,143	5,055,487
Government Funding	-2,603,769	-2,240,595	-2,016,536	-1,814,882
Collection Fund (Deficit)/Surplus	-228	-22,004	0	0
Precept	3,009,500	3,053,395	3,145,607	3,240,605
Taxbase	21,391	21,703	21,920	22,139
Band D Council Tax	£140.69	£140.69	£143.50	£146.37
Projected Council Tax increase	0%	0%	2%	2%

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	355,195	478,200	204,591
Increased Interest Receipts	900	-740	-14,000
Council Tax Freeze Grant re 2014/15	32,048	0	0
Council Tax Freeze Grant re 2015/16	-32,380	0	0
Increased Use of New Homes Bonus	-342,285	0	0
Increased Use of Balances	-310,981	-50,000	0
Increased Savings Required	0	-581,311	-297,247
Total Change in Budget Requirement	-297,503	-153,851	-106,656

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 2015/16, 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% on all other items, and Government grant falling by 10% from 2016/17 onwards.
- 8.3 The impact of the above on council general fund balances is shown below. The minimum recommended level of balances is £700,000.

	2014/15 £	2015/16 £	2016/17	2017/18 £
Brought Forward	2,058,402	2,219,383	2,069,383	1,869,383
(Use of)/Contribution to Balances	160,981	-150,000	-200,000	-200,000
Carried Forward	2,219,383	2,069,383	1,869,383	1,669,383

- 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 2015/16 it is still unknown what the council will receive in 2016/17 and onward. There is also uncertainty around the level of business rates growth there will be and consequently the level of business rates that will be retained by the council. To protect against the potential volatility around business rates retention, an earmarked reserve was created at 31 March 2013, and the level of this has been 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 As previously mentioned, the borough is to share the hosting of a stage of the Tour of Britain cycle race with Pendle. The costs falling on this council are likely to be in the region of £90,000 and will be funded from existing Earmarked Reserves.
- 8.7 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 2014 £	Balance at 31 March 2015 £	Balance at 31 March 2016 £	Balance at 31 March 2017 £	Balance at 31 March 2018 £
<u>Local Recreation Grants Fund</u> <i>Used to fund recreation grants</i>	20,546	11,586	11,586	11,586	11,586
<u>Elections Fund</u> <i>Used to fund borough elections held once every four years</i>	56,306	79,146	23,276	45,596	68,366
<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>	-103,459	-99,689	-96,669	-96,669	-96,669

Earmarked Reserves	Balance at 31 March 2014 £	Balance at 31 March 2015 £	Balance at 31 March 2016 £	Balance at 31 March 2017 £	Balance at 31 March 2018 £
<i>Available to equalise net expenditure over a three year period</i>					
<u>Capital</u> <i>Used to fund the capital programme</i>	653,919	595,069	480,069	480,069	410,079
<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>	1,186	1,186	1,186	1,186	1,186
<u>Community Enhancement</u> <i>Used to fund grants to local organisations</i>	11,419	11,419	11,419	11,419	11,419
<u>IT Equipment</u> <i>To fund future software and hardware upgrades</i>	69,903	69,903	69,903	69,903	69,903
<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	0	0	0
<u>Fleming VAT Claim</u> <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	239,926	234,896	210,296	210,296	210,296
<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
<u>Post LSVT</u> <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	365,125	328,950	292,775	256,600	220,425
<u>Market Town Enhancement</u> <i>To fund grants under Market Towns Enhancement Scheme</i>	8,372	8,372	1,372	1,372	1,372
<u>Performance Reward Grant</u> <i>Performance Reward Grant received and yet to be distributed to successful schemes</i>	302,874	285,104	223,170	223,170	223,170
<u>Refuse Collection</u>	93,323	92,853	92,853	92,853	92,853

Earmarked Reserves	Balance at 31 March 2014 £	Balance at 31 March 2015 £	Balance at 31 March 2016 £	Balance at 31 March 2017 £	Balance at 31 March 2018 £
<i>To fund refuse collection costs of bin replacements and other cost pressures</i>					
<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>	1,511,441	1,565,441	1,328,441	1,183,441	1,231,441
<u>Revaluation of Assets Reserve</u> <i>To contribute towards the revaluation of the Council's assets every five years.</i>	8,000	0	2,000	4,000	6,000
<u>Clean Air Reserve</u> <i>To fund clean air survey work</i>	3,161	2,681	2,201	1,721	1,241
<u>Equipment Reserve</u> <i>To fund essential and urgent equipment requirements</i>	84,096	60,486	60,486	60,486	60,486
<u>Forest of Bowland Reserve</u> <i>To fund access improvement schemes within the Ribble Valley section of the Forest of Bowland</i>	29,646	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>	11,000	6,330	6,330	6,330	6,330
<u>Pendle Hill User Reserve</u> <i>To fund improvement schemes on Pendle Hill</i>	16,703	13,253	13,253	13,253	13,253
<u>Planning Reserve</u> <i>To fund any future potential planning issues</i>	178,020	161,440	161,440	161,440	161,440
<u>Promotional Activities Reserve</u> <i>To fund planned publicity and promotional activities</i>	12,110	0	0	0	0
<u>Crime Reduction Partnership Reserve</u> <i>To fund cost of crime reduction initiatives</i>	29,950	17,720	0	0	0
<u>Housing Benefit Reserve</u>	100,000	100,000	100,000	100,000	100,000

Earmarked Reserves	Balance at 31 March 2014 £	Balance at 31 March 2015 £	Balance at 31 March 2016 £	Balance at 31 March 2017 £	Balance at 31 March 2018 £
<i>To help meet the challenges facing the service in the coming years</i>					
<u>Wellbeing and Health Equality</u> <i>To fund expenditure on Wellbeing and Health</i>	47,428	47,428	47,428	47,428	47,428
<u>Exercise Referral Reserve</u> <i>To fund potential residual staffing costs</i>	6,433	6,433	6,433	6,433	6,433
<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 finance future economic development capital schemes</i>	339,418	537,444	704,995	935,546	1,028,097
<u>Core Strategy Reserve</u> <i>To fund the production of the Core Strategy</i>	83,100	12,850	12,850	12,850	12,850
<u>Housing Related Grants Reserve</u> <i>Residual grant received, to be committed to future grant schemes</i>	26,202	952	952	952	952
<u>Business Rates Volatility Reserve</u> <i>To provide some protection against business rates volatilities</i>	212,704	313,143	534,964	534,964	534,964
<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>	29,822	46,222	46,222	46,222	46,222
<u>Grant Funded Sports Development</u> <i>To finance future Sports Development grant funded expenditure</i>	1,500	0	0	0	0
<u>Human Resource Development</u> <i>To provide for staff training commitments</i>	27,500	27,500	27,500	27,500	27,500
<u>Whalley Moor Reserve</u> <i>Grant received towards work at Whalley Moor Woodland</i>	4,970	4,970	4,970	4,970	4,970
<u>Inspire III Reserve</u> <i>Grant received from DEFRA which will be used to fund future Inspire III work</i>	7,131	0	0	0	0
<u>Individual Electoral Registration Reserve</u>	17,024	33,684	19,114	19,114	19,114

Earmarked Reserves	Balance at 31 March 2014 £	Balance at 31 March 2015 £	Balance at 31 March 2016 £	Balance at 31 March 2017 £	Balance at 31 March 2018 £
<i>Grant received for the implementation of Individual Electoral Registration which will be used to fund this work</i>					
	5,092,598	5,192,217	4,976,234	5,049,450	5,108,126

9 Capital Programme 2015/16 – 2017/18

- 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, VAT shelter and New Homes Bonus, 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.

	2015/16 £	2016/17 £	2017/18 £	Total £
Total of all Proposed Schemes	1,191,000	723,000	699,860	2,613,860
Resources Available in the year	-1,076,000	-723,000	-629,870	-2,428,870
Balance of Capital Reserve Brought Forward	-600,819	-485,819	-485,819	-600,819
Balance Remaining	-485,819	-485,819	-415,829	-415,829

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 2015/16.

Area of Sensitivity	Percentage Fluctuation	Annual Impact on Budget
Pay Award (Impact on Direct Employee Costs)	1.00%	£60,440
Energy Costs	5.00%	£7,950
Vehicle Fuel	5.00%	£13,450
Short Term Investment Interest Rates	0.25%	£14,590
Fees and Charges	1.00%	£25,200
Service Specific Government Grants	1.00%	£78,400
Other Grants and Contributions	1.00%	£7,850
Settlement Funding Assessment	1.00%	£22,400

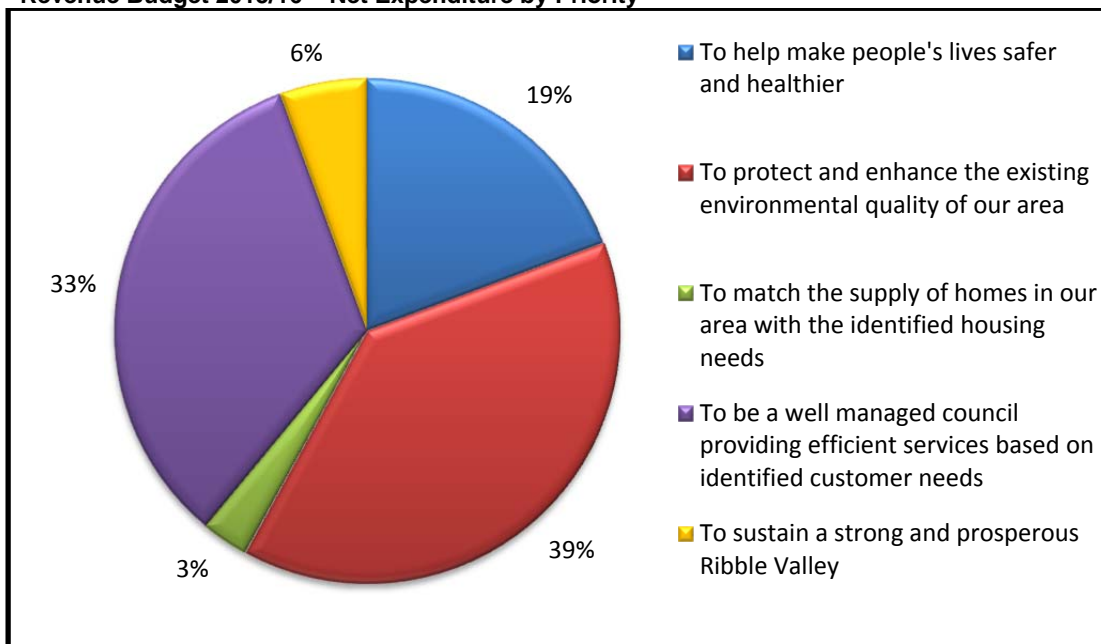
- 10.3 In terms of impact on the council tax, each budget adjustment of £100,000 has the effect of changing council tax at Band D equivalent by £4.67 or 3.3%.
- 10.4 On the other hand, for every 1% increase in the level of 2015/16 council tax charge, an additional £30,100 council tax revenue would be 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 2015/16 (including anticipated growth), this will support approximately 42% 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 £22,400.

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% per annum from 2016/17 onwards.
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 2015/16 broken down over the Council priorities.

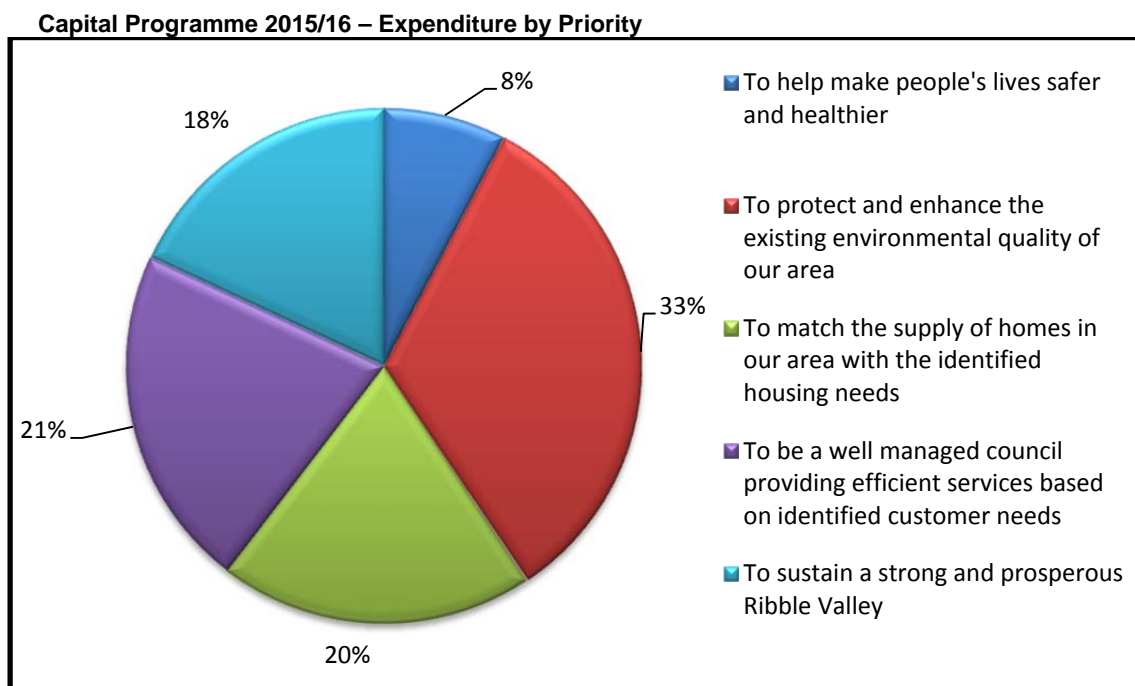
Revenue Budget 2015/16 – Net Expenditure by Priority



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 2015/16 broken down over the Council priorities.



Forward Capital Programme – 2015/16 to 2017/18

Schemes	2015/16 £	Budget Moved from 2014/15 £	Total for 2015/16 £	2016/17 £	2017/18 £
<u>Community Services Committee</u>					
Play Area Improvements	40,000		40,000	40,000	40,000
Installation of 3G Artificial Pitch Surface		47,000	47,000		
Replacement of Geesink 26t RP HGV Refuse Collection Vehicle	210,000		210,000		
Replacement of 4 x 4 Tractor/Mower (PNO4 NPZ)	17,000		17,000		
Replacement of Kubota Mower PN05 PLO	19,000		19,000		
Replace Scag Mower	9,000		9,000		
Two Heavy Goods Trailers	6,000		6,000		
Replacement of 2 Tri Star Mowers	16,000		16,000		
Replacement of Waste Transfer Station Loader Shovel	75,000		75,000		
All Weather Pitch Lighting	20,000		20,000		
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	

Forward Capital Programme – 2015/16 to 2017/18

Schemes	2015/16 £	Budget Moved from 2014/15 £	Total for 2015/16 £	2016/17 £	2017/18 £
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	
Hyprolyser Electrochlorination system at Ribblesdale Pool	15,600		15,600		
Replacement of the UV unit at Ribblesdale Pool	9,000		9,000		
Replacement mower (Kubota) PN09 SWO					20,000
Replacement mower (Scag 4x4) rvbc 016					10,000
Replacement pick up vehicles (Ford Ranger S/C 4WD x 2) – PK07 LSY and PK07 TZG					36,000
Longridge CCTV (Transfer of Images to Clitheroe Monitoring Station)					12,500
Renewal of sections of floor to residual waste transfer station (Phase 1)					16,000
Ribble Valley off-street car parks – upgrade of payment systems					20,550
Replacement of Twin-bodied refuse collection vehicle (VU59 JJK)					210,000
Replacement of Works Iveco Tipper with Iveco Daily Long Wheelbase high top van					25,000
Refurbishment of Castle Museum Windows					62,560
Total Community Services Committee	436,600	47,000	483,600	212,000	452,610

Forward Capital Programme – 2015/16 to 2017/18

Schemes	2015/16 £	Budget Moved from 2014/15 £	Total for 2015/16 £	2016/17 £	2017/18 £
<u>Policy and Finance Committee</u>					
Clitheroe Townscape Scheme	115,000		115,000		
Council Offices - Re-roofing Scheme	167,500		167,500		
Economic Development Initiatives		100,000	100,000		
Church Walk Council Offices – Replacement of Original Windows and Rooflights	88,900		88,900		
Council chamber – Seating renewal scheme					11,250
Replacement server for Revenues & Benefits					25,000
ICT Infrastructure refresh (Storage Area Network and Network & Server Replacement)				100,000	
Total Policy and Finance Committee	371,400	100,000	471,400	100,000	36,250
<u>Health and Housing Committee</u>					
Disabled Facilities Grants	161,000		161,000	161,000	161,000
Landlord/Tenant Grants	75,000		75,000	75,000	50,000
Clitheroe Market Improvements				175,000	
Total Health and Housing Committee	236,000	0	236,000	411,000	211,000
Total for all Committees	1,044,000	147,000	1,191,000	723,000	699,860