

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 9 FEBRUARY 2016  
 title: OVERALL REVENUE BUDGET 2016/17  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: JANE PEARSON

### 1 PURPOSE

- 1.1 To approve the revised revenue budget for 2015/16.
- 1.2 To consider and recommend a revenue budget and council tax requirement for 2016/17 to Full Council on 1 March 2016.

### 2 CURRENT YEAR'S REVISED BUDGET 2015/16

#### Background

- 2.1 The revised budget for 2015/16 has now been prepared. Committees, during this cycle, have reviewed their estimates and the reasons for any significant changes.
- 2.2 The Original Estimate included provision for price increases of 2% and for the settled pay award of 2.2% spread over two years (2014/15 and 2015/16). This equated to approximately a 1% increase for 2015/16.
- 2.3 The revised budget is now looking as if there will be a reduction of £396k in net expenditure. This is shown in the summary below.

Committee	Original Estimate 2015/16 £	Revised Estimate 2015/16 £	Difference £
Planning & Development	629,180	530,410	-98,770
Community	3,518,970	3,526,770	7,800
Health & Housing	834,360	795,640	-38,720
Policy & Finance**	2,173,260	2,134,710	-38,519
<b>Total of Committees</b>	<b>7,155,770</b>	<b>6,987,530</b>	<b>-168,209</b>
<b>Capital Adjustments:</b>			
Depreciation	-725,860	-840,840	-114,980
Minimum Revenue Provision	132,830	132,820	-10
<b>Total Expenditure</b>	<b>6,562,740</b>	<b>6,279,510</b>	<b>-283,199</b>
<b>Other Items</b>			
External Interest – Payable	11,140	11,140	0
Interest – Earned	-25,260	-29,400	-4,140
Council Tax Freeze Concession (re 2015/16 freeze)	-32,380	-32,380	0

<b>Committee</b>	<b>Original Estimate 2015/16 £</b>	<b>Revised Estimate 2015/16 £</b>	<b>Difference £</b>
Localisation of Council Tax Support - Payment to Parishes	11,500	11,500	0
<b>New Homes Bonus Scheme</b>			
New Homes Bonus	-968,616	-968,616	0
Less New Homes Bonus Transferred to Earmarked Reserve	292,551	292,551	0
New Homes Bonus: Returned Funding	0	-4,002	-4,002
<b>Business Rates</b>			
Retained Rates Income	-249,069	-249,069	0
Section 31 Grant for Business Rates	-616,716	-720,399	-103,683
Levy payable on growth	417,186	255,936	-161,250
Share of Business Rates Deficit on Collection Fund	46,136	46,136	0
<b>Total retained income above Business Rates Baseline</b>	<b>-402,463</b>	<b>-667,396</b>	<b>-264,933</b>
Less Business Rate income transferred to Volatility Reserve	139,537	404,470	264,933
<b>Less Added to/(taken from) Other Earmarked Reserves</b>	<b>-122,755</b>	<b>-227,452</b>	<b>-104,697</b>
Adjustment to Balances to Get to Agreed Budget	<b>-150,000</b>	<b>246,069</b>	<b>396,069</b>
<b>Agreed Budget for year</b>	<b>5,315,994</b>	<b>5,315,994</b>	<b>0</b>

**\*\*Policy and Finance Committee expenditure changed since reported to Committee to include £12,720 in 2015/16 in respect of the Bellwin Threshold for flooding**

### Changes in Expenditure

2.4 In summary our overall expenditure has changed as follows

	<b>£000</b>
<b>Committee Expenditure</b>	<b>-283</b>
<b>Other Items</b>	<b>-273</b>
<b>Transfers to and from Earmarked Reserves</b>	<b>160</b>
	<b>-396</b>

2.5 Committee expenditure has fallen by £283k. However this is before appropriations to and from earmarked reserves of which there are many.

2.6 Service Committees have considered their detailed reports which give more information on the forecast variations between the original estimate and the revised estimate, however the **main reasons** are shown below:

DESCRIPTION		VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE £
<b>COMMUNITY SERVICES COMMITTEE</b>		
COMMD	Community salaries - general vacancies	-76,740
COMMD	Childrens Trust Grant no longer to be received	10,000
CPADM	Reduced income from fixed penalty notices	13,560
CRIME	Grant to be received from the Police and Crime Commissioner	-10,000
PAPER	Sale of waste paper and cardboard	34,470
PAPER	Drivers wages (reduced from 3 to 2)	-19,450
PCADM	Reduction in temporary toilet cleaners budget	-9,570
RCOLL / PAPER	Reduced budget for Promotional Activities	-7,550
RCOLL / PAPER	Vehicle Repairs & Maintenance	-14,910
RCOLL / PAPER	Diesel	-15,310
TRREF	Increased trade refuse customers due to closure of alternative supplier	-57,440
TRREF	Increased tipping charges due to higher tonnages collected	10,660
		-142,280
<b>HEALTH AND HOUSING COMMITTEE</b>		
CTBEN	<b>Localised Council Tax Support Administration -</b> Council Tax Benefit overpayments recovered by the Council in-year that relate to previous years, netted off against previous years' back payments of Council Tax Benefits paid to claimants.	-35,500
UCRED	<b>Universal Credit -</b> The Council provides services to Universal Credit claimants in the borough, on behalf of the DWP. Income to be received for these services has now been agreed with the DWP.	-20,240
CTBEN + HGBEN	<b>Localised Council Tax Support Administration and Housing Benefits Administration -</b> Increased IT system licence and support costs in-year to Housing Benefits and Local Council Tax support, because of a change in IT cost allocations across various cost centres.	10,400
HGBEN	<b>Housing Benefits Administration -</b> A new bad debt provision budget has been included for Housing Benefits overpayments recovered via the sundry debtor system. .	30,000
		<b>-15,340</b>

DESCRIPTION		VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE £
<b>POLICY AND FINANCE COMMITTEE</b>		
CLOFF	Reallocation of repair & maintenance budget and reduced energy costs	-11,490
CLTAX	Additional Income from Royal Mail	-10,000
LSERV	Reduction in tuition fees, transport costs, protective clothing, printing & stationery, reference books etc	-12,260
FMISC	Reduced External Audit fees	-20,810
SUPDF	Reduction in superannuation deficiency payments due to reducing numbers of beneficiaries	-8,530
Various	Reduction in Software maintenance costs now charged direct to service outside committee	-12,840
Various	Staff turnover provision not reached	40,090
Bellwin	Bringing in to revised budget amount of Bellwin Threshold following recent flooding in Ribble Valley	12,720
		<b>-23,120</b>
<b>ALL COMMITTEES</b>		
Various	Utilities - Gas and Electric	-16,180
Various	Other Variances	-41,819
		<b>-57,999</b>
<b>GRAND TOTAL</b>		<b>-396,069</b>

### Extra Support for Capital Programme

- 2.7 The Budget Working Group recommends that the anticipated additional income from Trade Refuse (after adjusting for increased tipping charges) of **£46,000** should be earmarked to part fund the cost of replacing the Garwood refuse vehicle which is used for trade refuse purposes. This is scheduled to be replaced in the capital programme in 2018/19.
- 2.8 The Budget Working Group also agreed to set aside £30,200 from the extra planning fee income brought into the revised estimate to fund the 2016/17 capital scheme – Introduction of Planning Portal link to the Planning Application system and planning system update costing **£30,200**.
- 2.9 In summary these two adjustments, if agreed, will amend the revised budget as follows:

	£
<b>Increase in amount added to earmarked reserves</b>	76,200
<b>Reduction in amount added to general fund balances</b>	-76,200
	<b>0</b>

2.10 The anticipated amount to be added to general fund balances will therefore become **£169,869** (£246,069 - £76,200).

### **Movement in Business Rate Income**

2.11 Our latest estimate of Ribble Valley's General Fund share of Business Rate income for the current year predicts;

	<b>2015/16 31 January 2015 Original Estimate as per NNDR1 £</b>	<b>2015/16 26 January 2016 Revised Estimate £</b>
<b>Levy calculation</b>		
Billing Authority NNDR Income	14,509,476	13,559,433
LA share of NNDR income	5,803,790	5,423,773
LA share of SBRR	392,975	406,525
LA share of discretionary reliefs	192,328	236,294
Pre levy income	6,389,093	6,066,593
Less Tariff	4,325,447	4,325,447
Retained Rates Income	2,063,646	1,741,146
Baseline Funding Level	1,229,274	1,229,274
Retained Rates Income above Baseline	834,372	511,872
<b>Levy at 50%</b>	<b>417,186</b>	<b>255,936</b>

	2015/16 31 January 2015 as per NNDR1	2015/16 26 January 2016 Revised Estimate
<b>Calculation of Business Rate Retained Income</b>		
Billing Authority NNDR Income	14,509,476	14,509,476
LA share of NNDR income	5,803,790	5,803,790
Less Tariff	4,325,447	4,325,447
	1,478,343	1,478,343
Baseline Funding Level	1,229,274	1,229,274
<b>Retained Rates Income before levy</b>	<b>249,069</b>	<b>249,069</b>
Less Levy	417,186	255,936
<b>Section 31 Grant:</b>		
SBRR	399,626	412,454
SBRR where 2nd prop occupied		
Multiplier Cap	21,954	79,567
"New Empty" Property	8,118	1,975
"Long Term Empty" Property	8,118	11,119
Retail Relief	178,900	215,284
Total Section 31 Grant	616,716	720,399
<i>*Levy paid over after end of year after audited NNDR3 submitted</i>		
<b>Total Business Rate Income to General Fund</b>	<b>448,599</b>	<b>713,532</b>
Deficit carried forward from 2014/15	-46,136	-46,136
<b>Total Business Rate Income to General Fund</b>	<b>402,463</b>	<b>667,396</b>
Used to fund revenue budget	-262,926	-262,926
<b>Remaining to add to earmarked reserve</b>	<b>139,537</b>	<b>404,470</b>

- 2.12 Based on the current position we expect to receive £404k more than the amount relied upon to fund the revenue budget in the current year. However this is largely due to the complexities of the retention scheme where some elements are calculated on an accruals basis ie the levy and section 31 grant where as others are 'fixed' at the start of the year upon submission of our NNDR1 return.
- 2.13 Due to these timing differences the latest estimates on the business rates element of the Collection Fund suggest there will be a deficit at the end of the year of £1,051,731 of which our share will be £420,692. This will be recovered in 2016/17.

### **Movement in Earmarked Reserves**

- 2.14 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 £236k more to earmarked reserves in the current year than originally forecasted.

## Overall Changes

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

	Difference £000
Committees	-168
Depreciation	-115
Other Items	-273
Use of Earmarked Reserves	236
<b>Net change</b>	<b>-320</b>

2.16 This shows that the Council will in effect 'save' or benefit from £320k compared with the original estimate. Therefore **instead of taking** £150k from general fund balances at the end of the year, based on these revised estimates we **would be adding** £170k to balances.

## 3 THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2016/17

### 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	£1,862,606
Consists of:	
Revenue Support Grant	623,087
Business Rates Baseline (Target)	1,239,518

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 announcement is a four-year settlement. However the figures for 2017/2018 and beyond are part of an offer to any council that wishes to take it up. This will be conditional on councils publishing an efficiency plan.
- 3.4 For illustration purposes our provisional four year figures are shown below. You will see not only does our Revenue Support Grant become zero by 2019/20 but we will also be charged a tariff adjustment of £109k.

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Settlement Funding Assessment	1.862606	1.568216	1.410332	1.342771
of which:				
Revenue Support Grant	0.623087	0.304319	0.109149	0.000000
Baseline Funding Level	1.239518	1.263897	1.301183	1.342771
Tariff/Top-Up	-4.361493	-4.447276	-4.578474	-4.724810
Tariff/Top-Up adjustment	0.000000	0.000000	0.000000	-0.108866
Safety Net Threshold	1.146554	1.169105	1.203595	1.242064
Levy Rate (p in £)	0.500000	0.500000	0.500000	0.500000

## 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 council tax share of 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 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. I estimate the Collection Fund will produce an overall deficit of £592,908 this year. This consists of a surplus for council tax of £458,823 and a deficit in respect of Business Rates of £1,051,731.
- 4.4 The Council Tax surplus will be shared amongst all the major precepting authorities. Our share of the surplus is £47,809.



- 4.5 The Business Rates deficit will be recovered from the Government, Lancashire County Council, Lancashire Combined Fire Authority and ourselves in 2016/17. Our share of the deficit will be £420,692.
- 4.6 A statement showing the Collection Fund is attached at Annex 2.

### **Council Tax Base**

- 4.7 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. Our council tax base for 2016/17 is 22,024. This compares with the current tax base of 21,703 in 2015/16.
- 4.8 A breakdown of the calculation showing the tax base by parish is included in Annex 4.

## **5 REVENUE BUDGET 2016/17**

### **Background**

- 5.1 The announcement of the Finance Settlement confirms that local government continues to bear the brunt of public spending cuts.

### **Council Tax Freeze Grant/Capping**

- 5.2 The Government intends to roll the **2015/16** Council Tax Freeze Grant into Revenue Support Grant (paid only to those authorities which qualified for the council tax freeze scheme in 2015/16), in the same way as the grant in previous years.
- 5.3 No Council Tax Freeze Grant scheme has been announced for 2016/17 onwards.
- 5.4 The Localism Act 2011 abolished central government capping and made provision for binding referendums to be held on excessive council tax increases. A referendum must be held where an authority's council tax increase is higher than the principles proposed annually by the Secretary of State and approved by the House of Commons.
- 5.5 For 2016/17 the Government have again set the core referendum threshold at 2%.
- 5.6 The Government state the unanimous view across local government is that the biggest cost pressure is care for the growing elderly population. Hence for authorities with social care responsibilities the Government are allowing an additional precept to be levied of 2% together with an announcement of a further £1.5bn to supplement this extra funding.
- 5.7 They also recognise that some district councils ie those with low Council Tax bases, or which serve the most rural areas, face particular pressures. Therefore for district councils with a council tax in the bottom quartile the threshold will be a £5 increase. The Government state this is to ensure such districts aren't punished for being economical while those who have spent more in the past are allowed to spend more now. The spending power figures announced for Ribble Valley assume that we will increase our council tax by the full amount permitted ie £5.
- 5.8 Our current Band D tax is **£140.69** (and has been since 2010/11). We are in the bottom quartile of all councils and 43rd out of 201 district councils. Across Lancashire the position in 2015/16 is as follows.

<b>Average council tax for (Band D) £</b>	
<b>LANCASHIRE</b>	
Ribble Valley	140.69
Chorley	177.41
Wyre	180.16
West Lancashire	183.55
Fylde	185.79
Lancaster	203.97
South Ribble	208.38
Hyndburn	230.52
Pendle	240.38
Rossendale	253.40
Burnley	272.58
Preston	285.06

- 5.9 It is important when deciding on our council tax level for next year to consider the amount of income any change will generate. The table below shows the range of increases available to the Council for next year. A £5 increase in our share of the Council Tax would result in a Band D amount of £145.69 ie an increase of 3.6%. This would generate £110,120 each year in extra revenue.

<b>Band D Tax</b>	<b>% increase</b>	<b>Income Generated</b>	<b>Income over 6 years</b>
140.69	0	0	0
142.10	1%	31,054	186,324
143.49	1.99%	61,667	370,002
144.21	2.5%	77,524	465,144
145.69	£5.00 3.6%	110,120	660,720

## **6 Rural Services Delivery Grant**

- 6.1 The Government have announced that support for the most sparsely populated rural areas by way of the Rural Services Delivery Grant, will quadruple from £15.5 million this year to £65 million in 2019/20 by which time they will consider if any further grant is due.
- 6.2 For Ribble Valley we will receive £26,647 in 2016/17. Based on the illustrative four year settlement figures this rises to £86,603 in 2019/20.
- 6.3 We have now added this grant to our Policy and Finance Committee estimates for next year and the Council will need to decide how this amount should be spent.

**New Homes Bonus Scheme**

- 6.4 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.
- 6.5 The New Homes Bonus grant is currently shared 80:20 between district and county councils in two tier areas and is un-ringfenced. It is paid as an unringfenced grant, which means local authorities are free to decide how to spend it. The NHB can be spent on either revenue or capital, or placed in a local authority’s reserves.
- 6.6 Our provisional allocation for next year is £1,366,884. We will receive this amount for six years, **if the New Homes Bonus scheme continues in its present form**. However the Government have issued a consultation paper “New Homes: Sharpening the Incentive” which poses a number of radical options which could seriously reduce how much funding we may receive in the future. This important consultation ends on 10 March 2016 and we need to consider our response. I would suggest our response is delegated to myself in consultation with the Budget Working Group.
- 6.7 Interestingly the Government show our New Homes Bonus allocation reducing over the four year illustrative grant settlement period as follows;

	£
2016/17	1,369,880
2017/18	1,377,260
2018/19	865,285
2019/20	830,230

- 6.8 We currently commit £676k of new homes bonus each year to fund the revenue budget.

		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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
	2014/15				227,109	227,109	227,109	227,109	227,109
	2015/16					373,809	373,809	373,809	373,809
	2016/17						398,267	398,267	398,267
	2017/18							?	?
	2018/19								?
	2019/20								
	2020/21								
	2021/22								
	2022/23								
		<b>62,046</b>	<b>179,645</b>	<b>367,698</b>	<b>594,807</b>	<b>968,616</b>	<b>1,366,883</b>	<b>1,304,837</b>	<b>1,187,238</b>
Allocated to date:									
Revenue	base	60,000	60,000	60,000	333,780	676,065	676,065	676,065	676,065
Capital		0	0	100,000	85,000	88,000	62,000	200,000	216,770
		60,000	60,000	160,000	418,780	764,065	738,065	876,065	892,835
Adjustment				-10,029	10,029				
Spare ie unallocated		2,046	119,645	217,727	165,998	204,551	628,818	428,772	294,403
	Bal C/fwc	2,046	121,692	339,419	505,417	709,969			

6.9 From the table above you can see at the end of March 2016 we will have £710k unspent to be carried forward together with £628k unallocated out of next year's allocation (at this stage).

### Council Tax Requirement

6.10 As a result of the Government's capping announcement, we are already in a position where we can calculate our maximum possible Net Revenue Budget for 2016/17. For illustration this is set out below.

	£	£
Taxbase	22,024	
Band D (Assuming a £5.00 increase)	145.69	
Precept (ie amount raised from council tax)	3,208,677	3,208,677
Council Tax Surplus		47,809
Settlement Funding Assessment		1,862,605
<b>Our Maximum Net Expenditure 2016/17</b>		<b>5,119,091</b>

### Base Budget Position

#### Introduction

6.11 Each committee has been asked to prepare their budget on the basis of no increase in the level of spending in real terms, however including any unavoidable changes to service costs. The budgets do include provision for pay and price increases of 1.5%. Fees and charges have also been reviewed by committees and have been increased by at least the

rate of inflation where feasible. All committees have now considered their draft budgets for next year.

### Provisional Base Position

6.12 The provisional base position for next year as submitted to service committees is shown below, compared with the original budget for 2015/16.

	Original Estimate 2015/16 £	Original Estimate 2016/17 £
<b>Committee Expenditure</b>		
Planning & Development	629,180	552,270
Community	3,518,970	3,523,580
Health & Housing	834,360	935,100
Policy & Finance	2,173,260	2,076,597
<b>Total of Committees</b>	<b>7,155,770</b>	<b>7,087,547</b>
<b>Capital Adjustments</b>		
Less Depreciation (included in above)	-725,860	-837,740
Add Minimum Revenue Provision (MRP)	132,830	134,960
<b>Total Expenditure</b>	<b>6,562,740</b>	<b>6,384,767</b>
<b>Other Items</b>		
External Interest - Payable	11,140	9,480
Interest - Earned	-25,260	-28,730
Council Tax Freeze Concession (re 2015/16 freeze)	-32,380	0
Localisation of Council Tax Support - Payment to Parishes	11,500	5,750
New Homes Bonus	-968,616	-1,366,884
Rural Services Delivery Grant	0	-26,647
<b>Business Rates</b>		
Retained Rates Income	-249,069	-339,115
Section 31 Grant for Business Rates	-616,716	-528,416
Levy payable on growth	417,186	38,664
Share of Business Rates Deficit/(Surplus)	46,136	420,692
Transfer From/To Various Earmarked Reserves (See Annex 3)	309,333	860,426
<b>Net Expenditure</b>	<b>5,465,994</b>	<b>5,429,987</b>
Adjustment to Balances to Get to Agreed Budget	-150,000	-310,896
<b>Agreed budget for 2015/16 /Maximum Budget allowed for 2016/17</b>	<b>5,315,994</b>	<b>5,119,091</b>

## Comments on Next Year's Base Revenue Budget

### Committee Expenditure

6.13 The net effect, as shown in the above summary, is that net expenditure has reduced by £36k. 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;

Cost Centre	Budget Area	Change at OE 2016/17
<b>COMMUNITY SERVICES COMMITTEE</b>		
COMMD	Childrens Trust Grant no longer to be received	10,150
COMMD	Community Services Staff - Reduced Mileage Payments	-5,280
CPADM	Reduced income from fixed penalty notices	13,370
PAPER	Drivers wages (reduced from 3 to 2)	-18,960
PCADM	Reduction in temporary toilet cleaners salary	-11,480
RCOLL / PAPER	Reduced budget for Vehicle R&M to reflect past underspends	-12,570
RCOLL / PAPER	Reduced budget for Promotional Activities	-7,360
TRREF	Increased customers due to closure of alternative supplier	-58,310
EXREF	Reduction in salary costs due to end of fixed term contracts	-60,350
EXREF	Healthy Lifestyles Funding from LCC and NHS Clinical Commissioning Group	94,380
VARIOUS	Car Park Income - Pay & Display	-33,450
		<b>-89,860</b>
<b>HEALTH AND HOUSING COMMITTEE</b>		
CTBEN / HGBEN	Localised Council Tax Support Administration and Housing Benefits Administration - reduced grant	33,840
		<b>33,840</b>
<b>PLANNING AND DEVELOPMENT COMMITTEE</b>		
PLANG	Increase in Planning fee and Pre Application income	-100,630
		<b>-100,630</b>
<b>POLICY AND FINANCE COMMITTEE</b>		
LSERV	Reduction in tuition fees, transport costs, protective clothing, printing & stationery, reference books etc	-11,150
SUPDF	Reduction in superannuation deficiency payments due to reducing numbers of beneficiaries	-10,040

<b>Cost Centre</b>	<b>Budget Area</b>	<b>Change at OE 2016/17</b>
Various	Reduction in Software maintenance costs now charged direct to service outside committee	-12,840
	Rural Services Grant bring in new budget	26,647
		<b>-7,383</b>
<b>ALL COMMITTEES</b>		
Various	Utilities - Gas and Electric	-14,020
	Inflation	84,200
	Other Variances/Transfers to and from Earmarked Reserves	62,993
		<b>133,173</b>
<b>TOTAL OF MAJOR BUDGET CHANGES</b>		<b>-30,860</b>
<b>Other Reasons</b>		
	External Interest - Payable	-1,660
	Interest - Earned	-3,470
	Council Tax Freeze Concession (re 2015/16 freeze)	32,380
	Localisation of Council Tax Support - Payment to Parishes	-5,750
	Rural Services Delivery Grant new grant from Government	-26,647
<b>Difference in Net Expenditure</b>		<b>-36,007</b>

## 7 BUSINESS RATE RETENTION SCHEME (BRRS)

7.1 We have now completed our NNDR1 return which we will submit to the Government by 31 January 2016. We anticipate our share of business rates for next year will be as follows:

<b>2016/17 31 January 2016 as per NNDR1</b>	
<b>Levy calculation</b>	
Billing Authority NNDR Income	14,850,314
LA share of NNDR income	5,940,126
LA share of SBRR	409,778
LA share of discretionary reliefs	24,378
Pre levy income	6,374,282
Less Tariff	4,361,493
Retained Rates Income	2,012,789
Baseline Funding Level	1,239,518
Retained Rates Income above Baseline	773,271
<b>Levy at 50%</b>	<b>386,636</b>
<b>Retained levy therefore</b>	<b>347,972</b>
<b>2016/17 31 January 2016 as per NNDR1</b>	
<b>Calculation of Business Rate Retained Income</b>	
Billing Authority NNDR Income	14,850,314
LA share of NNDR income	5,940,126
Less Tariff	4,361,493
	1,578,633
Baseline Funding Level	1,239,518
<b>Retained Rates Income before levy</b>	<b>339,115</b>
Less Levy (10% now paid to LCC)	38,664
Section 31 Grant:	
SBRR	417,959
Multiplier Cap	85,725
"New Empty" Property	1,990
"Long Term Empty" Property	11,207
Retail Relief	0
In lieu of Transitional Relief	11,535
Total Section 31 Grant	528,416
<i>*Levy paid after end of year after audited NNDR3 submitted</i>	
<b>Total Business Rate Income to General Fund</b>	<b>828,867</b>
Deficit carried forward	-420,692
<b>Total Business Rate Income to General Fund</b>	<b>408,175</b>
Used to fund revenue budget	-262,926
<b>Remaining to add to earmarked reserve</b>	<b>145,249</b>



- 7.2 This shows that **based on our NNDR1 return** we expect to retain business rates income of £408,175 of which £262,926 is currently relied on each year to fund the base revenue budget.

### **Lancashire Business Rate Pool**

- 7.3 From 1 April 2016 we are now part of the Lancashire Business Rate Pool for Rates Retention purposes. The estimated levy for 2016/16 of £387k shown in the table above will no longer be paid over to the Government, instead 90% (£348k) will be retained by this Council and the remaining 10% (£39k) will be paid to the County Council.

### **Volatility and Uncertainty**

- 7.4 Due to the volatility and also the complexity of how the Business Rates Retention scheme works and further uncertainties surrounding issues such as appeals and growth estimates the figures shown above based on our NNDR1 return should be treated with caution.
- 7.5 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 who have recommended that we continue to use £262,926 of our Business Rate Income in 2016/17.
- 7.6 As shown above we estimate we could receive £408k next year. If you agree with the BWG recommendation I would recommend we add the balance of £145k to the business rates volatility earmarked reserve.

## **8 REVENUE BUDGET 2017/18 AND BEYOND**

- 8.1 In addition to considering our budget for 2016/17 we need to be conscious of the challenges also facing us the year after.
- 8.2 As stated earlier, we do have some indication of our settlements upto 2019/20. However it is unclear whether these may change. The Council could accept the Government's four year offer which would guarantee these figures providing we submit an efficiency statement. No further details have been received regarding this requirement.

## **9 BUDGET WORKING GROUP**

### **Background**

- 9.1 The Budget Working Group has again met frequently throughout the year to consider the Council's financial position.
- 9.2 Recent meetings have concentrated on reviewing the overall budget for 2016/17. After considering our budget forecast the Budget Working Group suggested a number of key considerations as a recommended approach to addressing the budget shortfall.
- 9.3 After reviewing each of these, the Budget Working Group have made a number of recommendations in order to achieve an affordable budget.

## Budget Recommendations

1. Whether our council tax should be increased for 2016/17. The extra revenue gained by a £5 (or 3.6%) increase would be £110k each year. The Government's Spending Power projections assume we will increase our council tax by this amount in 2016/17.

**The BWG recommended we increase our Band D council tax for 2016/17 by £5, therefore increasing it from £140.69 to £145.69.**

2. How much of general fund balances should be used to finance the revenue budget shortfall? As per our MTFS we have estimated using £200k in 2016/17 to support revenue.

**The BWG considered this and recommend that a maximum of £200k should be budgeted to be used.**

3. Examination of how much business rates growth we can realistically expect to rely on

**As set out earlier in the report, we have now completed our NNDR1 return for 2016/17 and expect to receive around £408k next year. The BWG recommend using £263k of this to support the revenue budget, ie the same amount as this year**

4. How much New Homes Bonus we can use to support the revenue budget.

**We have received notification in the Finance Settlement that our NHB allocation for next year will be £1,367k. We have already committed using £676k each year to support revenue. We need to consider how much of the balance (£691k) should be further used for revenue. The BWG recommend we use a further amount of £110,896 to support our base revenue budget. This would mean we would be relying on a total of £786,961 for 2016/17. .**

## 10 ROBUSTNESS OF THE ESTIMATES AND BALANCES AND RESERVES

### Introduction

- 10.1 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**

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

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

Budget Area	Measures Taken
Future/Current pressures	<p><b>Ongoing cost of Planning Appeals:</b></p> <ul style="list-style-type: none"> <li>• This includes the cost of defending appeals by our own staff and also the engagement of consultants and barristers to act on our behalf There are a number of appeals which are current.</li> <li>• This also includes costs awarded against the Council by the Planning Inspector at appeal stage, both settled and outstanding. There are a number of cost award claims which are still outstanding and indeed there may be future cost decisions against the Council.</li> </ul> <p><b>Refuse Collection/Recycling</b>                      Recycling credit payments from LCC ceased on 31 March 2015. The Council agreed to join their Cost Sharing Agreement from 1 April 2015. The County Council have however already given notice that Cost Sharing will cease in March 2018. Under this agreement we will receive £430k which from 2018/19 will be lost.</p> <p><b>Business Rate Retention Scheme</b>                      Due to the volatility and also the complexity of how the Business Rates Retention scheme works and further uncertainties surrounding issues such as appeals and growth estimates I recommend not relying on the full amount of anticipated income for next year. I would recommend we add the balance of the total estimated income to the business rates volatility earmarked reserve.</p>

	<p><b>New Homes Bonus</b> Our allocation for next year will be £1,367k. We have already committed using £676k each year to support revenue. The BWG recommend we use a further £111k to support our base budget resulting in a total amount of £787k. Though it does appear that the New Homes Bonus Scheme will continue it won't be in its present form. Much will depend on the outcome of the consultation exercise which ends in March.</p> <p><b>Income Streams</b> The income share from the VAT shelter continues to decline. This funding has been used to date to support the capital programme and not been relied upon to fund the revenue budget.</p>
Consideration of Inflation and Interest Rates	<p>Inflation has been added to appropriate budgets at 1.5% for both pay and price increases. The pay award for 2016/17 has not yet been agreed.</p> <p>The prospects for interest rates are regularly reviewed. Currently base rates are forecasted to remain at 0.5% for 2017/18.</p>
Savings Considerations	<p>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.</p>
Use of reserves and balances	<p>Careful consideration is given to the use of reserves and balances when setting the budget to ensure that future budgets are sustainable.</p>

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

### **Adequacy of Reserves**

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

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

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

- ❖ a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;

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

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

### **General Fund Balances**

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

	<b>£000</b>
Opening Balance 1 April 2015	2,103
Estimated Amount to be added to Balances in 2015/16	170
<b>Estimated Balances in Hand 31 March 2016</b>	<b>2,273</b>

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

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

10.11 Bearing this in mind and our previous good record in achieving savings in the revenue budget as the year progresses my judgement is that in 2016/17 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**

10.12 Annex 3 shows the Council's earmarked reserves together with any movements forecast for 2015/16 and the 2016/17 financial year.

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

## 11 BUDGET WORKING GROUP RECOMMENDED REVENUE BUDGET 2016/17

11.1 If you agree to the Budget Working Group's recommendations, the resultant budget for 2016/17 is set out below. This would still leave £2.073m in general fund balances at the end of March 2017.

	Original Estimate 2015/16 £	Original Estimate 2016/17 £
<b>Committee Expenditure</b>		
Planning & Development	629,180	552,270
Community	3,518,970	3,523,580
Health & Housing	834,360	935,100
Policy & Finance	2,173,260	2,076,597
<b>Total of Committees</b>	<b>7,155,770</b>	<b>7,087,547</b>
<b>Capital Adjustments</b>		
Less Depreciation (included in above)	-725,860	-837,740
Add Minimum Revenue Provision (MRP)	132,830	134,960
<b>Total Expenditure</b>	<b>6,562,740</b>	<b>6,384,767</b>
<b>Other Items</b>		
External Interest - Payable	11,140	9,480
Interest - Earned	-25,260	-28,730
Council Tax Freeze Concession (re 2015/16 freeze)	-32,380	0
Localisation of Council Tax Support - Payment to Parishes	11,500	5,750
New Homes Bonus	-968,616	-1,366,884
Rural Services Delivery Grant	0	-26,647
<b>Business Rates</b>		
Retained Rates Income	-249,069	-339,115
Section 31 Grant for Business Rates	-616,716	-528,416
Levy payable on growth	417,186	38,664
Share of Business Rates Deficit/(Surplus)	46,136	420,692
Transfer From/To Various Earmarked Reserves (See Annex 3)	309,333	749,530
<b>Net Expenditure</b>	<b>5,465,994</b>	<b>5,319,091</b>
Adjustment to Balances to Get to Agreed Budget	-150,000	-200,000
<b>Agreed budget for 2015/16 /Maximum Budget allowed for 2016/17</b>	<b>5,315,994</b>	<b>5,119,091</b>

## 12 BUDGET AND COUNCIL TAX REQUIREMENT

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

<b>BUDGET AND COUNCIL TAX REQUIREMENT</b>	
	<b>£</b>
RVBC Net Budget	5,119,091
Plus Parish Precepts	376,779
	<b>5,495,870</b>
Less - Settlement Funding Assessment	-1,862,605
<b>Net Requirement Before Adjustments</b>	<b>3,633,265</b>
Council Tax Surplus	-47,809
<b>Council Tax Requirement (Including Parishes)</b>	<b>3,585,456</b>

## 13 UPDATED THREE YEAR BUDGET FORECAST

- 13.1 I have updated the three year forecast assuming the above budget for 2016/17 is agreed. The Medium Term Financial Strategy (MTFS) is reported elsewhere on the agenda and shows our position in more detail.
- 13.2 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)
- 13.3 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 2016/17 to reflect the very latest income and expenditure projections
- 13.4 I have assumed we will rely on the same level of income from business rates and the New Homes Bonus throughout the forecast as in 2016/17 ie £263k and £787k.
- 13.5 I have included the four year Settlement Funding Assessment figures announced as part of the Local Government Finance Settlement in December on the assumption that these are likely to prove accurate.
- 13.6 In terms of council tax levels I have included a 2% increase each year. Clearly the decision on our council tax level for will be taken as part of each year's budget setting round. It is worth noting that the Government have indicated, in our Spending Power figures, we will be able to increase our council tax by £5 each year (if we remain in the bottom quartile) for the next four years.
- 13.7 This results in a forecast for the next three years of:





### Three Year Budget Forecast

	2017/18		2018/19		2019/20	
	£		£		£	
Net Expenditure	6,651,992		7,011,766		7,159,199	
Interest Receipts	-50,000		-75,000		-100,000	
Use of Superannuation reserve	-36,512		-36,512		-36,512	
Council Tax Freeze grant re 2015/16	0		0		0	
Rural Services Grant	-46,632		-66,618		-86,603	
Use of Business Rate Growth	-262,926		-262,926		-262,926	
Use of New Homes Bonus	-786,961		-786,961		-786,961	
Use of Balances	-200,000		-200,000		-200,000	
<b>Reductions in Expenditure Required</b>	<b>-395,251</b>		<b>-768,142</b>		<b>-944,210</b>	
<b>Budget Requirement</b>	<b>4,873,710</b>		<b>4,815,607</b>		<b>4,741,988</b>	
Core Government Funding						
Revenue Support Grant	304,319		109,149		-108,866	
Business Rates Baseline	1,263,897		1,301,183		1,342,771	
Coll Fund Deficit/(Surplus)	0		0		0	
<b>Precept</b>	<b>3,305,494</b>		<b>3,405,275</b>		<b>3,508,083</b>	
Tax Base	22,244	1%	22,467	1%	22,691	1%
Band D Council Tax	148.60	2%	151.57	2%	154.60	2%

<b>General Fund Balances</b>	2017/18		2018/19		2019/20	
	£		£		£	
Brought Forward	2,072,983		1,872,983		1,672,983	
Used	-200,000		-200,000		-200,000	
Carried Forward	1,872,983		1,672,983		1,472,983	

13.8 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 increased amount of our new homes bonus by £787k each year. **For 2017/18 the budget gap would be £395k, 2018/19 £768k and 2019/20 £944k.** However any forward projections of our income and expenditure remain challenging to predict.

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

## 14 ILLUSTRATIVE TOTAL COUNCIL TAX AT BAND D

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

	Meeting Date to agree council tax	Actual Band D Council Tax 2015/16 £	Estimated Band D Council Tax 2016/17 £	%
Ribble Valley		140.69	145.69	3.55
Parishes (average)		16.77	17.11	2.03
Lancashire County Council	11 Feb 16	1,129.78	1,174.86	3.99*
Police and Crime Commissioner for Lancashire	Feb 16	159.06	162.23	1.99
Lancashire Combined Fire Authority	15 Feb 16	64.86	66.15	1.99
		<b>1,511.16</b>	<b>1,566.04</b>	<b>3.63</b>

\*Includes 2% social care precept

## 15 RECOMMENDED THAT COMMITTEE

- 15.1 Approve the revised budget for 2015/16.
- 15.2 Approve the Budget Working Group's recommendations and set a budget and council tax requirement for 2016/17 as set out in Section 12.1.
- 15.3 Recommend the budget and council tax requirement to the Full Council meeting on 1 March 2016.

DIRECTOR OF RESOURCES

PF21-16/JP/AC  
1 FEBRUARY 2016

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

	<b>Original Estimate 2015/16 £</b>	<b>Revised Estimate 2015/16 £</b>
Local Recreation Grants Fund	0	9,990
Elections Fund	-55,870	-58,480
Building Control Fund	3,020	-460
Capital	0	91,070
ICT Repairs and Renewals	0	-7,610
Concessionary Travel Reserve	-40,026	0
Fleming VAT Claim	-22,920	-16,510
Post LSVT	-36,175	-36,512
Performance Reward Grant	-74,014	-27,574
Refuse Collection	0	-112,200
VAT Shelter Reserve	180,000	180,000
Revaluation of Assets Reserve	2,000	2,000
Clean Air Reserve	-480	-480
Equipment Reserve	0	6,920
Forest of Bowland Reserve	0	-29,640
Land Charges Reserve	0	17,950
Pendle Hill User Reserve	0	28,670
Planning Reserve	-23,550	-70,080
Promotional Activities Reserve	0	-9,260
Crime Reduction Partnership Reserve	-17,720	-3,120
Exercise Referral Reserve	0	-13,750
New Homes Bonus Reserve	292,551	292,551
Core Strategy Reserve	-22,450	-22,450
Housing Related Grants Reserve	0	23,000
Business Rates Volatility Reserve	139,537	404,470
Individual Electoral Registration Reserve	-14,570	-7,180
Repossession Prevention Reserve	0	-5,720
Tour of Britain Reserve	0	-89,826
<b>Net Movement</b>	<b>309,333</b>	<b>545,769</b>

**SPECIAL POLICY & FINANCE COMMITTEE  
COLLECTION FUND STATEMENT**

		<b>Original 2015/16 £</b>	<b>Revised 2015/16 £</b>
<b>Expenditure</b>			
	Deficit Brought Forward:		
	Council Tax	0	0
	Business Rates	115,340	222,238
	Council Tax Precepts:		
	Lancashire County Council	24,519,615	24,519,615
	Police & Crime Commissioner for Lancashire	3,452,079	3,452,079
	Lancashire Combined Fire Authority	1,407,657	1,407,657
	Ribble Valley incl Parishes	3,417,387	3,417,387
	Allocation of Council Tax Surplus for Year:		
	Ribble Valley	22,004	22,004
	Lancashire County Council	154,760	154,760
	Lancashire Combined Fire Authority	8,892	8,892
	Police & Crime Commissioner for Lancashire	21,789	21,789
	Cost of Collecting NNDR	90,494	90,494
	Distribution of Business Rates:		
	Central Government	7,254,738	7,254,738
	Ribble Valley	5,803,790	5,803,790
	Lancashire County Council	1,305,853	1,305,853
	Lancashire Fire Authority	145,095	145,095
	Enterprise Zone	17,018	17,018
	Renewable Energy Schemes	10,000	10,000
	Transitional Protection Payments	0	11,422
	Overpayments of council tax benefit	0	45,961
	NNDR - Bad Debts Provision	148,328	116,000
	NNDR - Appeals Provision	57,524	806,200
	Council Tax - Bad Debts Provision	247,834	100,000
		<b>48,200,197</b>	<b>48,932,992</b>
<b>Income</b>			
	Surplus Brought Forward:		
	Council Tax	207,445	320,283
	Business Rates	0	0
	Allocation of Business Rates Deficit:		
	Central Government	57,670	57,670
	Lancashire County Council	10,381	10,381
	Lancashire Combined Fire Authority	1,153	1,153
	Ribble Valley	46,136	46,136
	Council Tax Income	33,044,572	33,277,399
	Council Tax Benefits	0	11,285
	Business Rates	14,832,840	14,615,777
		<b>48,200,197</b>	<b>48,340,084</b>

**SPECIAL POLICY & FINANCE COMMITTEE  
COLLECTION FUND STATEMENT**

	<b>Original 2015/16 £</b>	<b>Revised 2015/16 £</b>
<b>Surplus/(Deficit) carried forward</b>		
CTAX - Surplus/(Deficit) Carried Forward	<b>0</b>	<b>458,823</b>
NNDR - Surplus/(Deficit) Carried Forward	<b>0</b>	<b>-1,051,731</b>
<b>Total Surplus/(Deficit)</b>	<b>0</b>	<b>-592,908</b>

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2015	To be added/taken in 2015/16 for Revenue Purposes	To be added/taken in 2015/16 for Capital Purposes	Balance at 31 March 2016	To be added/taken in 2016/17 for Revenue Purposes	To be added/taken in 2016/17 for Capital Purposes	Balance at 31 March 2017
	£	£	£	£	£	£	£
<b><u>Local Recreation Grants Fund</u></b> <i>Used to fund recreation grants</i>	12,686	9,990		22,676			22,676
<b><u>Elections Fund</u></b> <i>Used to fund borough elections held once every four years</i>	78,689	-58,480		20,209	22,210		42,419
<b><u>Audit Reserve Fund</u></b> <i>Used for computer audit</i>	12,335			12,335			12,335
<b><u>Building Control Fund</u></b> <i>Available to equalise net expenditure over a three year period</i>	-103,006	-460		-103,466	-8,060		-111,526
<b><u>Capital</u></b> <i>Used to fund the capital programme</i>	692,623	45,070	-169,040	568,653		-30,200	538,453
<b><u>Insurance</u></b> <i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	16,748			16,748			16,748
<b><u>Christmas Lights/RV in Bloom</u></b>	1,186			1,186			1,186

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2015	To be added/taken in 2015/16 for Revenue Purposes	To be added/taken in 2015/16 for Capital Purposes	Balance at 31 March 2016	To be added/taken in 2016/17 for Revenue Purposes	To be added/taken in 2016/17 for Capital Purposes	Balance at 31 March 2017
	£	£	£	£	£	£	£
<i>Available to fund contributions towards Christmas Lights and Ribble Valley in Bloom</i>							
<b><u>Community Enhancement</u></b> <i>Used to fund grants to local organisations</i>	11,419			11,419			11,419
<b><u>ICT Repairs and Renewals</u></b> <i>To fund future software and hardware upgrades</i>	169,903	-7,610		162,293			162,293
<b><u>Conservation Reserve</u></b> <i>To fund conservation schemes completed after the financial year end</i>	6,210		-5,630	580			580
<b><u>Fleming VAT Claim</u></b> <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	234,903	-16,510	-23,080	195,313		-59,000	136,313
<b><u>Repairs and Maintenance</u></b> <i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>	34,299			34,299			34,299
<b><u>Post LSVT</u></b> <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	328,613	-36,512		292,101	-36,512		255,589
<b><u>Market Town Enhancement</u></b> <i>To fund grants under Market Towns Enhancement Scheme</i>	8,372		-1,370	7,002			7,002

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2015	To be added/taken in 2015/16 for Revenue Purposes	To be added/taken in 2015/16 for Capital Purposes	Balance at 31 March 2016	To be added/taken in 2016/17 for Revenue Purposes	To be added/taken in 2016/17 for Capital Purposes	Balance at 31 March 2017
	£	£	£	£	£	£	£
<b><u>Performance Reward Grant</u></b> <i>Performance Reward Grant received and yet to be distributed to successful schemes</i>	214,682	-27,574		187,108	-59,780		127,328
<b><u>Refuse Collection</u></b> <i>To fund refuse collection costs of bin replacements and other cost pressures</i>	147,203	-112,200		35,003			35,003
<b><u>Restructuring Reserve</u></b> <i>To fund costs resulting from restructuring reviews</i>	227,541			227,541			227,541
<b><u>VAT Shelter Reserve</u></b> <i>Funds received from the post LSVT VAT Shelter arrangements, partly used to contribute towards the future financing of the capital programme</i>	1,610,053	180,000	-392,210	1,397,843	180,000	-278,500	1,299,343
<b><u>Revaluation of Assets Reserve</u></b> <i>To contribute towards the revaluation of the Council's assets every five years.</i>	1,200	2,000		3,200	2,030		5,230
<b><u>Clean Air Reserve</u></b> <i>To fund clean air survey work</i>	2,681	-480		2,201	-480		1,721
<b><u>Equipment Reserve</u></b> <i>To fund essential and urgent equipment requirements</i>	93,560	6,920		100,480			100,480



**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2015	To be added/taken in 2015/16 for Revenue Purposes	To be added/taken in 2015/16 for Capital Purposes	Balance at 31 March 2016	To be added/taken in 2016/17 for Revenue Purposes	To be added/taken in 2016/17 for Capital Purposes	Balance at 31 March 2017
	£	£	£	£	£	£	£
<b>Forest of Bowland Reserve</b> <i>To fund access improvement schemes within the Ribble Valley section of the Forest of Bowland</i>	29,646	-29,640		6			6
<b>Invest to Save Fund</b> <i>To fund future invest to save projects</i>	250,000			250,000			250,000
<b>Land Charges Reserve</b> <i>To fund any potential restitution claims for personal search fees</i>	4,474	17,950		22,424			22,424
<b>Pendle Hill User Reserve</b> <i>To fund improvement schemes on Pendle Hill</i>	13,647	28,670		42,317			42,317
<b>Planning Reserve</b> <i>To fund any future potential planning issues</i>	215,942	-70,080		145,862	-36,000		109,862
<b>Promotional Activities Reserve</b> <i>To fund planned publicity and promotional activities</i>	9,260	-9,260		0			0
<b>Crime Reduction Partnership Reserve</b> <i>To fund cost of crime reduction initiatives</i>	19,105	-3,120		15,985	-13,320		2,665
<b>Housing Benefit Reserve</b> <i>To help meet the challenges facing the service in the coming years</i>	100,000			100,000			100,000
<b>Wellbeing and Health Equality</b> <i>To fund expenditure on Wellbeing and Health</i>	47,428			47,428			47,428

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2015	To be added/taken in 2015/16 for Revenue Purposes	To be added/taken in 2015/16 for Capital Purposes	Balance at 31 March 2016	To be added/taken in 2016/17 for Revenue Purposes	To be added/taken in 2016/17 for Capital Purposes	Balance at 31 March 2017
	£	£	£	£	£	£	£
<u>Exercise Referral Reserve</u> <i>To fund potential residual staffing costs</i>	20,183	-13,750		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
<u>New Homes Bonus Reserve</u> <i>To help finance future economic development capital schemes</i>	505,415	292,551	-88,000	709,966	579,923	-62,000	1,227,889
<u>Core Strategy Reserve</u> <i>To fund the production of the Core Strategy</i>	22,453	-22,450		3			3
<u>Housing Related Grants Reserve</u> <i>Residual grant received, to be committed to future grant schemes</i>	26,480	23,000		49,480	-14,190		35,290
<u>Business Rates Volatility Reserve</u> <i>To provide some protection against business rates volatilities</i>	314,751	404,470		719,221	145,249		864,470
<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>	46,224			46,224			46,224
<u>Grant Funded Sports Development</u>	3,500			3,500			3,500

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2015	To be added/taken in 2015/16 for Revenue Purposes	To be added/taken in 2015/16 for Capital Purposes	Balance at 31 March 2016	To be added/taken in 2016/17 for Revenue Purposes	To be added/taken in 2016/17 for Capital Purposes	Balance at 31 March 2017
	£	£	£	£	£	£	£
<i>To finance future Sports Development grant funded expenditure</i>							
<b><u>Human Resource Development</u></b> <i>To provide for staff training commitments</i>	27,500			27,500			27,500
<b><u>Whalley Moor Reserve</u></b> <i>Grant received towards work at Whalley Moor Woodland</i>	4,970			4,970			4,970
<b><u>Individual Electoral Registration Reserve</u></b> <i>Grant received for the implementation of Individual Electoral Registration which will be used to fund this work</i>	23,288	-7,180		16,108	-11,540		4,568
<b><u>Vehicle &amp; Plant Repairs and Renewals Reserve</u></b> <i>Resources set aside to fund a repairs and renewals fund for the replacement of Vehicles and Plant</i>	300,000	46,000		346,000			346,000
<b><u>Clitheroe Food Festival</u></b> <i>Resources set aside to help support the costs associated with the Clitheroe Food Festival</i>	6,204			6,204			6,204
<b><u>Repossession Prevention Fund Reserve</u></b> <i>Ring-fenced DCLG funded reserve to help prevent repossessions and homelessness.</i>	34,211	-5,720		28,491			28,491

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

General Fund	Balance at 31 March 2015	To be added/taken in 2015/16 for Revenue Purposes	To be added/taken in 2015/16 for Capital Purposes	Balance at 31 March 2016	To be added/taken in 2016/17 for Revenue Purposes	To be added/taken in 2016/17 for Capital Purposes	Balance at 31 March 2017
	£	£	£	£	£	£	£
<b><u>Neighbourhood Planning Reserve</u></b>							
<i>DCLG Neighbourhood Planning Grant received to fund future related expenditure</i>	10,000			10,000			10,000
<b><u>Civic Suite Reserve</u></b>							
<i>Resources set aside to fund future capital spend on the council chamber.</i>	11,420			11,420			11,420
<b><u>Tour of Britain Reserve</u></b>							
<i>To fund the potential cost of hosting a stage of the Tour of Britain Cycle Race</i>	89,826	-89,826		0			0
	5,941,467	545,769	-679,330	5,807,906	749,530	-429,700	6,127,736

**SPECIAL POLICY AND FINANCE COMMITTEE  
PARISH PRECPTS 2016/17**

<b>Band D Equivalent Tax Base</b>	<b>Parish</b>	<b>Parish Precept 2016/17</b>	<b>Parish Precept 2015/16</b>	<b>Increase / (Decrease)</b>	<b>Band D Equivalent Tax 2016/17</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
443	Aighton, Bailey & Chaigley	4,950	4,750	200	11.17
193	Balderstone	1,240	1,190	50	6.42
353	Barrow	7,525	6,000	1,525	21.32
202	Bashall Eaves, Great Mitton & Little Mitton	1,202	1,202	0	5.95
2,032	Billington & Langho	16,326	13,500	2,826	8.03
477	Bolton by Bowland, Gisburn Forest & Sawley	4,956	9,898	-4,942	10.39
73	Bowland Forest (High)	2,156	2,133	23	29.53
77	Bowland Forest (Low)	1,200	1,200	0	15.58
83	Bowland with Leagram	200	187	13	2.41
374	Chatburn	11,372	10,085	1,287	30.41
481	Chipping	7,600	7,150	450	15.80
495	Clayton le Dale	2,889	2,781	108	5.84
4,961	Clitheroe	96,295	92,558	3,737	19.41
44	Dinckley	0	0	0	0.00
49	Downham	0	0	0	0.00
104	Dutton	500	479	21	4.81
197	Gisburn	3,942	3,877	65	20.01
345	Grindleton	7,500	7,500	0	21.74
46	Horton	0	0	0	0.00
73	Hothersall	750	750	0	10.27
2,657	Longridge	64,000	59,558	4,442	24.09
8	Mearley	0	0	0	0.00
991	Mellor	14,300	14,300	0	14.43
20	Newsholme	0	0	0	0.00
145	Newton	2,477	2,456	21	17.08
110	Osbaldeston	700	741	-41	6.36
44	Paythorne	0	0	0	0.00
106	Pendleton	1,289	1,266	23	12.16
281	Ramsgreave	1,651	1,889	-238	5.88
552	Read	8,056	7,838	218	14.59
650	Ribchester	7,558	7,586	-28	11.63
221	Rimington & Middop	3,963	3,946	17	17.93
515	Sabden	14,476	14,287	189	28.11
186	Salesbury	4,800	4,740	60	25.81
490	Simonstone	8,200	8,200	0	16.73
154	Slaidburn & Easington	1,750	1,750	0	11.36
160	Thornley with Wheatley	1,528	1,500	28	9.55
37	Twiston	0	0	0	0.00
455	Waddington	13,500	13,500	0	29.67
360	West Bradford	6,494	6,200	294	18.04
1,496	Whalley	32,048	31,353	695	21.42
1,065	Wilpshire	15,876	15,147	729	14.91
176	Wiswell	3,510	2,495	1,015	19.94

**SPECIAL POLICY AND FINANCE COMMITTEE  
PARISH PRECPTS 2016/17**

<b>Band D Equivalent Tax Base</b>	<b>Parish</b>	<b>Parish Precept 2016/17 £</b>	<b>Parish Precept 2015/16 £</b>	<b>Increase / (Decrease) £</b>	<b>Band D Equivalent Tax 2016/17 £</b>
43	Worston	0	0	0	0.00
<b>22,024</b>		<b>376,779</b>	<b>363,992</b>	<b>12,787</b>	