

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 23 JANUARY 2018
title: ORIGINAL REVENUE BUDGET 2018/19
submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

- 1.1 To agree the draft revenue budget for 2018/19, for consideration at Special Policy and Finance Committee.

2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

- 2.1 In September we updated the Council's Budget Forecast which predicted budget gaps as follows: £774k in 2018/19, £956k in 2019/20, £1,139k in 2020/21.
- 2.2 In October 2016 this Council submitted an Efficiency Plan to the Government in order to secure a multi year finance settlement. We were notified on 16 November 2016 that we are now formally on the multi-year settlement and can expect to receive the allocations published as part of the 2016/17 local government finance settlement in 2017/18, 2018/19 and 2019/20.
- 2.3 On 19 December we were informed of the provisional Local Government Finance Settlement for 2018/19. As anticipated the figures provided previously in the multi-year settlement will be honoured. Additionally, the Government announced that our Rural Services Delivery Grant will not be reduced to £66,618 as previously indicated, but will instead remain at £86,603, as received in 2017/18.

3 BUDGET WORKING GROUP

- 3.1 The Budget Working Group have been undertaking detailed reviews over the past few months of the various funding streams of the council. These have particularly focused on Business Rates, New Homes Bonus and Council Tax. This will be further reviewed now that the full details of the individual committee budgets have been calculated, and once the Local Government Finance Settlement has been announced.

4 BUDGET PROCESS

- 4.1 Presented to committee for decision in October were the proposed fees and charges for 2018/19. The consequential impact of these approved fees and charges have been incorporated in to the service budgets shown within this report.
- 4.2 Following a great deal of in-depth service analysis and meetings with regard to this committees budgets by the council's accountants, budget holders, heads of service and management team, a proposed draft budget is now presented to members. This budget is agreed as that which best reflects the services of this committee for the next financial year.

4.3 When all committees have approved their detailed estimates the overall position will be considered by Budget Working Group.

4.4 The Budget Working Group will then make recommendations in order to produce a balanced budget for consideration at the Special meeting of Policy and Finance Committee. The final budget report will then be presented to Full Council, at which point the Council Tax for 2018/19 will also be approved.

5 2018/19 DRAFT REVENUE BUDGET

5.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for pay and price increases at 2%.

5.2 Within this report the budget is shown in the same manner in which they are reviewed. Each costs centre within the report is shown individually. Behind each costs centre is a great deal more subjective level detailed budgets, but for the purposes of this report they are summarised in to the standard local government CIPFA Service Reporting Code of Practice basis.

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

5.3 As you will see, the draft proposed budget for 2018/19 for each service area is also built up looking at a number of stages. The starting point is the base budget, being the Original Estimate for the current financial year. A summary of the various elements is given below.

- **Original Estimate 2017/18:** This represents the base budget for the council and assumes no change in service level from that set for the previous year's original estimate.
- **Savings:** Here any savings or additional income that is identified from past service experience or trends would be brought in to the budget to adjust the base budget.
- **Inflation at 2%:** The budget forecast allows for inflation on pay and prices at 2% (with some exceptions such as grants). This is where that general allowance for inflation is brought in to the individual budget areas.
- **Variation to Standard Budgeted Inflation %:** Inevitably, as we undertake detailed work on the budget it becomes evident that there are some items of income or spend that experience a greater or lower level of inflation. This is where we adjusted for those differing levels of inflation. An example is energy costs.
- **Unavoidable Changes to Service Costs:** This relates to changes to a service, for example where costs are demand driven. In past years items included under the new 'Savings' heading were also included here.
- **Support Services:** Any changes that relate to the recharging of support service costs are included in this column.
- **Capital:** Any changes relating to depreciation and impairment are included in this column
- **DRAFT Original Estimate 2018/19:** The final column is the total of all preceding columns and is constructed from the base budget and any necessary changes to the base that are needed. If approved this will then form the base budget in next year's budget process.

5.4 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2017/18 Original Estimate, to the DRAFT Original Estimate for 2018/19. Comments are also provided on the main variances.

6 COMMITTEE SERVICE ESTIMATES

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

The Chief Executive's Department comprises three service units: Regeneration and Housing, Legal and Democratic Services and Environmental Health. The Regeneration and Housing section is responsible for providing support for regeneration in the area, community safety and provide the council's mandatory housing functions. Legal and Democratic services provide the council with advice on legal issues and support to the democratic process, it also has responsibility for the Committee Services section, which prepares and distributes agendas, and offers support to the Borough Mayor. The costs for staffing for Legal and Democratic Services are shown in a separate paragraph 6.20. Environmental Health provides commercial and domestic environmental health support and also the building control function within the area.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	1,038,100		20,770	-170	-18,340			1,040,360
Transport Related Expenditure	23,610		470	-200	-10			23,870
Supplies & Services	17,250		340	-10	1,160			18,740
Third Party Payments	0		0					0
Support Services	162,830					11,930		174,760
Total Expenditure	1,241,790	0	21,580	-380	-17,190	11,930	0	1,257,730
Other Grants and Contributions	-50		0			0		-50
Departmental Recharges	-1,229,650					-15,620		-1,245,270
Miscellaneous Recharges	-12,090					-320		-12,410
Total Income	-1,241,790	0	0	0	0	-15,940	0	-1,257,730
Net Expenditure	0	0	21,580	-380	-17,190	-4,010	0	0

CEXEC: Chief Executives Department

Commentary on Substantial Budget Changes

Employee related expenditure

There is a reduction in expenditure due to the anticipated impact of staff turnover. There is also a lower superannuation past service charge due to a discounted charge being incurred as payments are now made in full at the start of the year rather than paying monthly.

Supplies & Services

The increase is due to an increase in the purchase of equipment and postage costs, reflecting past spending profiles.

Support Services

The increase in support costs relates to a higher accommodation charge and support from financial services and organisation and member development, this is due to changes in cost allocations from these services.

Departmental/Miscellaneous Recharges

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

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

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	12,360	0	240	10	-160	0	0	12,450
Premises Related Expenditure	610		10	0	190	0	0	810
Transport Related Expenditure	6,620		130	0	-290	0	0	6,460
Supplies & Services	21,610		440	0	-50	0	0	22,000
Support Services	17,670					830		18,500
Total Expenditure	58,870	0	820	10	-310	830	0	60,220
Net Expenditure	58,870	0	820	10	-310	830	0	60,220

**CIVCF Civic Functions
Commentary on substantial budget changes**

Support Services

Small increase in support cost from legal services & financial services due changes in cost allocations from these services

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

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	10,890	0	220	-10	-60	0	0	11,040
Premises Related Expenditure	26,560	0	520	-50	-4,360	0	0	22,670
Supplies & Services	1,950	0	30	0	180	0	0	2,160
Support Services	9,730	0			0	-970	0	8,760
Depreciation and Impairment	9,700	0			0	0	5,350	15,050
Total Expenditure	58,830	0	770	-60	-4,240	-970	5,350	59,680
Customer & Client Receipts	-4,320	0	-80	-420	280	0	0	-4,540
Departmental Recharges	-54,510	0			0	-630	0	-55,140
Total Income	-58,830	0	-80	-420	280	-630	0	-59,680
Net Expenditure	0	0	690	-480	-3,960	-1,600	5,350	0

CIVST: Civic Suite

Commentary on substantial budget changes

Premises related expenditure

The provision for repair and maintenance has been reduced to reflect the future impact of programmed work at the civic suite in the 2017/18 capital programme. Energy costs have also been reduced as a result of changes in usage and prices.

Depreciation

Depreciation charges have been increased reflecting the capital scheme for upgrading the civic suite, as referred to above.

Support Services

Reduction in support service costs, mainly from community services department, due to changes in cost allocation from this service.

Customer & Client receipts

A small decrease in function hire income is forecast based on average usage.

Departmental Recharges

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

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

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	51,170		1,020	-150	-60			51,980
Premises Related Expenditure	146,210		2,920	1,840	13,310			164,280
Supplies & Services	8,600		180	-20	430			9,190
Third Party Payments	1,050		20					1,070
Support Services	21,420					970		22,390
Depreciation and Impairment	33,440						1,900	35,340
Total Expenditure	261,890	0	4,140	1,670	13,680	970	1,900	284,250
Customer & Client Receipts	-32,110		-640	-500				-33,250
Departmental Recharges	-229,780					-21,220		-251,000
Total Income	-261,890	0	-640	-500	0	-21,220	0	-284,250
Net Expenditure	0	0	3,500	1,170	13,680	-20,250	1,900	0

CLOFF: Council Offices

Commentary on Substantial Budget Changes

Premises Related Expenditure

The budget for electricity usage has been increased as the meter readings for usage have increased.

Depreciation and Impairment

Increase in provision for depreciation as the retention on the re-roofing and replacement windows capital scheme becomes due adding value to those components of the building

Departmental Recharges

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

6.5 **Cost Centre and Description**

CLTAX: Council Tax

This budget is for the cost of administration and collection of council tax. It includes the costs of maintaining the software, postages, bailiff fees, court costs, share of bank charges and support services costs. The support costs include staffing cost of the council tax section and also cashiers section, together with and the cost of support from financial services, computer services, legal services and organisation and member development. These are offset by income from court fees and summonses.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	74,070	0	1,490	-150	240	0	0	75,650
Support Services	342,650	0			0	6,860	0	349,510
Depreciation and Impairment	12,500	0			0	0	-12,500	0
Total Expenditure	429,220	0	1,490	-150	240	6,860	-12,500	425,160
Customer & Client Receipts	-85,970	0	-1,720	1,720	390	0	0	-85,580
Other Grants and Contributions	-2,470	0	-50	0	0	0	0	-2,520
Total Income	-88,440	0	-1,770	1,720	390	0	0	-88,100
Net Expenditure	340,780	0	-280	1,570	630	6,860	-12,500	337,060

CLTAX: Council Tax

Commentary on Substantial Budget Changes

Support Services

Increase in support costs from revenues and benefits offset by reduction in costs from legal and financial services due to changes in cost allocations from these services.

Depreciation and Impairment

Provision for depreciation has been removed as the council tax reduction module has become fully depreciated

6.6 Cost Centre and Description

COMPR: Computer Services

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	178,940	0	3,570	-300	-4,120	0	0	178,090
Premises Related Expenditure	1,610		30		20	0	0	1,660
Transport Related Expenditure	210	0	0	0	-40	0	0	170
Supplies & Services	64,710	0	1,300	3,460	5,560	0	0	75,030
Support Services	36,890				0	850		37,740
Depreciation and Impairment	21,330				0	0	-11,100	10,230
Total Expenditure	303,690	0	4,900	3,160	1,420	850	-11,100	302,920
Departmental Recharges	-303,690					770		-302,920
Total Income	-303,690	0	0	0	0	770	0	-302,920
Net Expenditure	0	0	4,900	3,160	1,420	1,620	-11,100	0
Associated Movement in Earmarked Reserves	0	0	0	0	-3,970	0	0	-3,970
Net After Earmarked Reserves	0	0	4,900	3,160	-2,550	1,620	-11,100	-3,970

COMPR: Computer Services

Commentary on Substantial Budget Changes

Employee Related Expenditure

There is a reduction in expenditure due to the anticipated impact of staff turnover. There is also a lower superannuation past service charge due to a discounted charge being incurred as payments are now made in full at the start of the year rather than paying monthly.

Supplies & Services

Increase in Government connect data charges above inflation and an increased cost of SQL licenses following the installation of new ICT infrastructure

Depreciation and Impairment

Decrease in depreciation charge as the final parts of the Converged Infrastructure capital scheme was completed in 2017/18.

Movement in earmarked reserves

As agreed at Policy and Finance Committee in November 2017, the increased cost of the SQL licences are to be funded from the IT repairs & renewal reserve

6.7 **Cost Centre and Description** CONTC: Contact Centre

The contact centre acts as first point of contact for a range of front line services and provides the main telephony service. The budget includes the cost of employees within the service and the cost of maintaining a customer relationship management (CRM) system which helps manage the council's interaction with its customers. The service is supported by financial services, computer services and organisation and member development. The total cost of the section is then recharged to users on an activity basis.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	171,300	0	3,430	-110	-1,050	0	0	173,570
Transport Related Expenditure	330	0	10	0	0	0	0	340
Supplies & Services	22,150	-50	450	0	-10	0	0	22,540
Support Services	57,410					3,270		60,680
Total Expenditure	251,190	-50	3,890	-110	-1,060	3,270	0	257,130
Departmental Recharges	-251,190					-5,810	-130	-257,130
Total Income	-251,190	0	0	0	0	-5,810	-130	-257,130
Net Expenditure	0	-50	3,890	-110	-1,060	-2,540	-130	0

CONTC: Contact Centre

Commentary on Substantial Budget Changes

Employee Related Expenditure

There is a reduction in expenditure due to the anticipated impact of staff turnover.

Support Services

Increase in support costs mainly from recharges of accommodation costs and changes in recharges of time from financial services.

Depreciation and Impairment

Decrease in depreciation as the Customer Relationship Management (CRM) system purchased in 2011/12 has now been fully depreciated.

Departmental Recharges

Increase in net expenditure is reflected in increases in recharges to other services.

6.8 **Cost Centre and Description**

CORPM: Corporate Management

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Support Services	326,260					14,280		340,540
Total Expenditure	326,260	0	0	0	0	14,280	0	340,540
Net Expenditure	326,260	0	0	0	0	14,280	0	340,540

CORPM: Corporate Management
Commentary on Substantial Budget Changes

Support Services
 Increase in support service costs mainly from financial services and the Chief Executive's department. This partly off-set by a reduction in the recharge from the contact centre. This is due to changes in cost allocations from these services.

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

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	3,460		60	10	230	0	0	3,760
Supplies & Services	240,950		4,820	-190	-6,920	0	0	238,660
Support Services	201,390				0	6,250	0	207,640
Total Expenditure	445,800	0	4,880	-180	-6,690	6,250	0	450,060
Net Expenditure	445,800	0	4,880	-180	-6,690	6,250	0	450,060

COSDM: Cost of Democracy

Commentary on Substantial Budget Changes

Supplies & Services

This adjustment reflects the change that was made to the timing of the annual uprating of allowances. This was not adjusted for in the 2017/18 original estimate.

Support Services

Increase in support service costs from legal services and financial services due to changes in cost allocations from these services. This is partly offset by a reduction in the recharge of accommodation costs.

6.10 **Cost Centre and Description**

CSERV: Corporate services

The cost of a small team (within the Resources Department) providing corporate support, advice and services including health and safety issues, strategic planning, performance management, policy development and review, consultation and communications, which is recharged here from the Organisation and Member Development Cost Centre.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	30,990	0	620	70	-100	0	0	31,580
Support Services	149,480	0				4,720		154,200
Total Expenditure	180,470	0	620	70	-100	4,720	0	185,780
Net Expenditure	180,470	0	620	70	-100	4,720	0	185,780

CSERV: Corporate Services**Commentary on Substantial Budget Changes****Support Services**

Increase in support service costs from the organisation & member development service due to changes in cost allocations from this service.

6.11 **Cost Centre and Description**

ELADM: Election Administration

This budget is for the cost of administrating elections to the council. It only covers the support service costs, which include staffing costs from financial services, legal services, Chief Executive's department and organisation and member development.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Support Services	43,320					-37,950		5,370
Total Expenditure	43,320	0	0	0	0	-37,950	0	5,370
Net Expenditure	43,320	0	0	0	0	-37,950	0	5,370

ELADM: Election Administration

Commentary on Substantial Budget Changes

Support Services

Reduction in support service costs from legal services, financial services, Chief Executive's department and also organisation & member development services due to changes in cost allocations from these services.

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

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

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	5,570		110	100	5,250			11,030
Supplies & Services	54,780		1,090	-130	-5,260			50,480
Support Services	32,480					13,490		45,970
Total Expenditure	92,830	0	1,200	-30	-10	13,490	0	107,480
Customer & Client Receipts	-1,300		-30					-1,330
Total Income	-1,300	0	-30	0	0	0	0	-1,330
Net Expenditure	91,530	0	1,170	-30	-10	13,490	0	106,150
Associated Movement in Earmarked Reserves	-1,420				1,420			0
Net After Earmarked Reserves	90,110	0	1,170	-30	1,410	13,490	0	106,150

ELECT: Register of Electors

Commentary on Substantial Budget Changes

Employee Related Expenditure

Increase in the budget for canvassers and temporary staff to reflect the spending profiles for Individual Electoral Registration (IER)

Supplies & Services

Decrease in provision for postages partly offset by increases in printing and stationery, photocopying and software maintainance to reflect the spending profiles of IER.

Support Services

Increase in support costs from legal services due to changes in cost allocations from this service.

Associated Movement in Earmarked Reserves

Reduction in contribution from reserve as the earmarked reserve will have been fully utilised

6.13 Cost Centre and Description

EMERG: Community Safety

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	10,310	0	210	-80	-40	0	0	10,400
Support Services	49,260				0	4,470	0	53,730
Total Expenditure	59,570	0	210	-80	-40	4,470	0	64,130
Net Expenditure	59,570	0	210	-80	-40	4,470	0	64,130

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

Increase in support costs mainly from the Chief Executive's department due to changes in cost allocations.

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

The council has many assets, which include land and property. Individual Heads of Service manage the properties that support their operations and the legal section support this work.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Premises Related Expenditure	9,430		190	-110				9,510
Supplies & Services	1,420		30					1,450
Support Services	35,780					-1,090		34,690
Depreciation and Impairment	48,310						6,780	55,090
Total Expenditure	94,940	0	220	-110	0	-1,090	6,780	100,740
Customer & Client Receipts	-39,980		-800	430	-80			-40,430
Total Income	-39,980	0	-800	430	-80	0	0	-40,430
Net Expenditure	54,960	0	-580	320	-80	-1,090	6,780	60,310

ESTAT: Estates

Commentary on Substantial Budget Changes

Support Services

Reduction in support costs from community services department, legal services and financial services due to changes in cost allocations.

Depreciation and Impairment

The increase in depreciation charge reflects the increase in asset values following the annual review of assets in the 2016/17 financial year.

6.15 **Cost Centre and Description**

FGSUB: Grants & Subscriptions - Policy and Finance

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	13,130	0	260	-10	-820	0	0	12,560
Transfer Payments	145,100	0	2,900	-540	-100	0	0	147,360
Support Services	2,330	0			0	5,070	0	7,400
Total Expenditure	160,560	0	3,160	-550	-920	5,070	0	167,320
Net Expenditure	160,560	0	3,160	-550	-920	5,070	0	167,320

FGSUB: Grants & Subscriptions - Policy and Finance

Commentary on Substantial Budget Changes

Support Services

Increase in support costs from financial services due to changes in the time allocations from this service.

6.16 **Cost Centre and Description**

FMISC: Policy & Finance Miscellaneous

Included in this budget are the council's external audit fees and charges for the council's bank accounts. Bank account charges are recharged to services at the end of the financial year.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	1,060	0	20	0	-33,320	0	0	-32,240
Premises Related Expenditure	550	0	20	0	0	0	0	570
Supplies & Services	83,700	0	1,680	230	-28,480	0	0	57,130
Transfer Payments	280	0	10	0	0	0	0	290
Support Services	50,460	0			0	4,550	0	55,010
Depreciation and Impairment	0	0			0	0	0	0
Total Expenditure	136,050	0	1,730	230	-61,800	4,550	0	80,760
Customer & Client Receipts	-50	0	0	0	-150	0	0	-200
Other Grants and Contributions	-178,000	0	-3,560	2,760	49,920	0	0	-128,880
Miscellaneous Recharges	-12,740	0	-250	0	-60	0	0	-13,050
Total Income	-190,790	0	-3,810	2,760	49,710	0	0	-142,130
Net Expenditure	-54,740	0	-2,080	2,990	-12,090	4,550	0	-61,370
Associated Movement in Earmarked Reserves	160,060	0	50	0	-16,600	0	0	143,510
Net After Earmarked Reserves	105,320	0	-2,030	2,990	-28,690	4,550	0	82,140

FMISC: Policy & Finance Miscellaneous

Commentary on Substantial Budget Changes

Employee Related Expenditure

The saving as a result paying the council's employer current service pension contributions in full at the beginning of the year (estimated to be £33,320) is reflected under this budget heading.

Supplies & Services

Reduction in external audit fees budget to reflect the current level of audit fees now being charged

Support Services

Increase in debt management costs due to changes in allocations from financial services

Other Grants and Contributions

Reduction in income from VAT shelter money paid by Symphony Homes. This is due to the reimbursement rate under the VAT shelter arrangements reducing from 75% to 40%.

Associated Movement in Earmarked Reserves

Reduction in contribution to VAT shelter reserve due to a reduction in the level of VAT shelter receipts to be set aside from Ribble Valley Homes. This is partly offset by the setting aside of the pensions saving in to the superannuation adjustment reserve.

6.17 **Cost Centre and Description**

FSERV: Financial Services

The Financial Services Section provides the Accountancy and Internal Audit services of the Council. The section is responsible for all matters of financial administration. The section's main tasks are the preparation of budgets, closure of the Council's accounts, payment of invoices, the collection of debt, the treasury management function, and also the achievement of the annual internal audit plan.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	596,310	0	11,920	-530	-3,120	0	0	604,580
Transport Related Expenditure	10,570	0	200	-180	420	0	0	11,010
Supplies & Services	47,490	0	940	20	-30	0	0	48,420
Support Services	83,260					4,780		88,040
Total Expenditure	737,630	0	13,060	-690	-2,730	4,780	0	752,050
Customer & Client Receipts	-1,160	0	-20	-10	10	0	0	-1,180
Other Grants and Contributions	-20	0	0	0	0	0	0	-20
Departmental Recharges	-727,630	0			0	-14,820	0	-742,450
Miscellaneous Recharges	-8,820					420		-8,400
Total Income	-737,630	0	-20	-10	10	-14,400	0	-752,050
Net Expenditure	0	0	13,040	-700	-2,720	-9,620	0	0

FSERV: Financial Services

Commentary on Substantial Budget Changes

Employee Related Expenditure

Savings through staff turnover and the consequential appointment of staff at a different point on the incremental pay scale

Support Services

Increase in the recharge of accommodation costs. also the recharge of organisation & member development services has increased due to changes in time allocations.

Departmental Recharges

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

6.18 Cost Centre and Description

LANDC: Land Charges

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	1,840		40		30			1,910
Supplies & Services	12,990		260		260			13,510
Support Services	83,230					2,040		85,270
Depreciation and Impairment	0							0
Total Expenditure	98,060	0	300	0	290	2,040	0	100,690
Government Grants	0		0					0
Customer & Client Receipts	-80,800		-1,620	-3,070	-180			-85,670
Total Income	-80,800	0	-1,620	-3,070	-180	0	0	-85,670
Net Expenditure	17,260	0	-1,320	-3,070	110	2,040	0	15,020

LANDC: Land Charges**Commentary on Substantial Budget Changes****Support Services**

Increase in support service costs from community service department, legal services and also organisation & member development service due to changes in time allocations.

6.19 **Cost Centre and Description** LICSE: Licensing

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	3,180		60		-100			3,140
Supplies & Services	21,400		430		110			21,940
Support Services	122,370					16,560		138,930
Total Expenditure	146,950	0	490	0	10	16,560	0	164,010
Customer & Client Receipts	-118,790		-2,370	1,290	2,050			-117,820
Other Grants and Contributions	-3,180		-60		100			-3,140
Total Income	-121,970	0	-2,430	1,290	2,150	0	0	-120,960
Net Expenditure	24,980	0	-1,940	1,290	2,160	16,560	0	43,050

LICSE: Licensing

Commentary on Substantial Budget Changes

Support Services

Increase in support service costs from legal services due to changes in time allocation.

Customer & Client Receipts

Based on previous three years income it is estimated that there will be an small increase in income mainly from taxi licenses

6.20 **Cost Centre and Description** LSERV: Legal Services

The Legal Services Section provides legal advice to all departments of the council and represents the council in court proceedings and conveyancing, or other non-contentious transactions.

The section also includes the direct costs of staff working on land charges, licensing, mayoralty and democratic services, elections, electoral registration, the complaints procedure and various related enforcement functions. These are recharged according to staff time allocations

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	334,080	0	6,670	190	5,500	0	0	346,440
Transport Related Expenditure	6,380	0	120	-50	210	0	0	6,660
Supplies & Services	28,030	0	550	10	-1,150	0	0	27,440
Support Services	96,000	0			0	4,780	0	100,780
Total Expenditure	464,490	0	7,340	150	4,560	4,780	0	481,320
Customer & Client Receipts	-1,020	0	-20	-10	-280	0	0	-1,330
Other Grants and Contributions	-8,410	0	-170	-180	0	0	0	-8,760
Departmental Recharges	-452,940	0			0	-16,870	0	-469,810
Miscellaneous Recharges	-2,120					700		-1,420
Total Income	-464,490	0	-190	-190	-280	-16,170	0	-481,320
Net Expenditure	0	0	7,150	-40	4,280	-11,390	0	0

LSERV: Legal Services

Commentary on Substantial Budget Changes

Employee Related Expenditure

Forecast increase in staffing costs due to the low level of staff turnover that has been experienced to date. There is also an increase in superannuation costs as there has been an increase in the number of staff that are members of the pension scheme.

Supplies & Services

Savings from printing & stationery and legal expenses to bring estimates in line with previous years spending profiles.

Support Services

Reduction in the recharge of accommodation costs. Also the recharge of support service costs from financial services, revenue services and the Chief Executive's department has fallen due to changes in time allocations.

Departmental Recharges

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

6.21 **Cost Centre and Description**

LUNCH: Luncheon Clubs

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Transfer Payments	12,910		260					13,170
Support Services	2,160					-1,050		1,110
Total Expenditure	15,070	0	260	0	0	-1,050	0	14,280
Net Expenditure	15,070	0	260	0	0	-1,050	0	14,280

LUNCH: Luncheon Clubs**Commentary on Substantial Budget Changes****Support Services**

Reduction in support costs from the Chief Executive's department due to changes in time allocations from this service

6.22 Cost Centre and Description

NNDRC: National Non Domestic Rates

The administration and collection of national non-domestic rates

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	10,960		220	-40	-40	0	0	11,100
Support Services	122,520				0	3,420	0	125,940
Total Expenditure	133,480	0	220	-40	-40	3,420	0	137,040
Government Grants	-91,850		-1,840	1,840	1,850	0	0	-90,000
Customer & Client Receipts	-5,260		-110	110	230	0	0	-5,030
Other Grants and Contributions	-170		0	0	0	0	0	-170
Total Income	-97,280	0	-1,950	1,950	2,080	0	0	-95,200
Net Expenditure	36,200	0	-1,730	1,910	2,040	3,420	0	41,840

Commentary on Substantial Budget Changes**Support Services**

Increase in support costs from financial services and revenues services. This is partly offset by a reduction in costs from legal services due to changes in time allocations.

Government Grants

The budget reflects a forecast reduction in the Cost of Collection grant

6.23 Cost Centre and Description

OMDEV: Organisation & Member Development

This budget covers human resources, central administration functions and corporate services. Human resources provide the personnel function and organisation wide training. The central administration function provides typing and corporate printing. Corporate services provide advice and services including health and safety issues, strategic planning, performance management, policy development and review, consultation and communications.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	339,800	0	6,800	0	10,560	0	0	357,160
Transport Related Expenditure	4,170	0	80	-60	1,260	0	0	5,450
Supplies & Services	36,200	0	720	-30	-90	0	0	36,800
Support Services	77,610	0			0	2,180	0	79,790
Depreciation and Impairment	0	0	0	0	0	0	8,670	8,670
Total Expenditure	457,780	0	7,600	-90	11,730	2,180	8,670	487,870
Customer & Client Receipts	-3,880	0	-80	0	120	0	0	-3,840
Departmental Recharges	-453,900	0			0	-30,130	0	-484,030
Total Income	-457,780	0	-80	0	120	-30,130	0	-487,870
Net Expenditure	0	0	7,520	-90	11,850	-27,950	8,670	0

OMDEV: Organisation & Member Development

Commentary on Substantial Budget Changes

Employee Related Expenditure

New budget for payments made in respect of the apprenticeship levy. These payments are set aside and topped up by the government for us to draw-down to pay for apprenticeship level training.

Transport Related Expenditure

Increase in leased car insurance and cost of leased car.

Support Services

Increase in the recharge of accomodation cost.

Depreciation

The cost relates to the estimated depreciation charged on the printing section equipment renewal capital scheme (2017/18) and new new telephone system capital scheme (2017/18)

Departmental Recharges

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

6.24 **Cost Centre and Description**

PERFM: Performance Reward Grants

Residual budget relation to former Performance Reward Grant received by this Council. This budget has been used to fund various grants/community projects etc.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Transfer Payments	53,500		1,070	-1,070	-50,850			2,650
Support Services	1,510					-730		780
Total Expenditure	55,010	0	1,070	-1,070	-50,850	-730	0	3,430
Net Expenditure	55,010	0	1,070	-1,070	-50,850	-730	0	3,430
Associated Movement in Earmarked Reserves	-53,500				50,850			-2,650
Net After Earmarked Reserves	1,510	0	1,070	-1,070	0	-730	0	780

PERFM: Performance Reward Grants

Commentary on Substantial Budget Changes

Transfer Payments

The Parish Grant scheme which fell under this cost centre is now coming to a close and this is reflected in the budget that has been set. After allowing for all commitments there remains just over £60K unallocated in the Performance Reward Grant earmarked reserve.

6.25 Cost Centre and Description

REVUE: Revenues & Benefits

Income and expenditure that relates to both revenues and benefits, which is then recharged to the individual cost centres

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	494,450	0	9,900	-80	-4,570	0	0	499,700
Transport Related Expenditure	8,430	0	180	-70	80	0	0	8,620
Supplies & Services	28,190	-1,230	540	-110	-540	0	0	26,850
Support Services	150,440	0				7,940		158,380
Depreciation and Impairment	0						4,500	4,500
Total Expenditure	681,510	-1,230	10,620	-260	-5,030	7,940	4,500	698,050
Departmental Recharges	-680,770	0			0	-16,530	0	-697,300
Miscellaneous Recharges	-740					-10		-750
Total Income	-681,510	0	0	0	0	-16,540	0	-698,050
Net Expenditure	0	-1,230	10,620	-260	-5,030	-8,600	4,500	0

REVUE: Revenues & Benefits

Commentary on Substantial Budget Changes

Employee Related Expenditure

There is a reduction in expenditure due to the anticipated impact of staff turnover. There is also a lower superannuation past service charge due to a discounted charge being incurred as payments are now made in full at the start of the year rather than paying monthly.

Support Services

Increased recharge for accommodation costs. There is also an increase in the support service costs from the contact centre, partly offset by a reduction from financial service due to changes in time allocations.

Depreciation

The depreciation charge relates to depreciation due on the replacement of servers included in the 2017/18 capital programme.

Departmental Recharges

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

6.26 **Cost Centre and Description****SUPDF: Superannuation Deficiency Payments**

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

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	6,370		130	70	0	0	0	6,570
Third Party Payments	91,550		1,830	820	-3,170	0	0	91,030
Total Expenditure	97,920	0	1,960	890	-3,170	0	0	97,600
Net Expenditure	97,920	0	1,960	890	-3,170	0	0	97,600

SUPDF: Superannuation Deficiency Payments**Commentary on Substantial Budget Changes****Third Party Payments**

The reduction in cost is due to a decrease in the number of beneficiaries.

7 SUMMARIES

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

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

Cost Centre and Description	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
CEXEC: Chief Executives Department	0		21,580	-380	-17,190	-4,010		0
CIVCF: Civic Functions	58,870	0	820	10	-310	830	0	60,220
CIVST: Civic Suite	0	0	690	-480	-3,960	-1,600	5,350	0
CLOFF: Council Offices	0		3,500	1,170	13,680	-20,250	1,900	0
CLTAX: Council Tax	340,780	0	-280	1,570	630	6,860	-12,500	337,060
COMPR: Computer Services	0	0	4,900	3,160	1,420	1,620	-11,100	0
CONTC: Contact Centre	0	-50	3,890	-110	-1,060	-2,540	-130	0
CORPM: Corporate Management	326,260					14,280		340,540
COSDM: Cost of Democracy	445,800		4,880	-180	-6,690	6,250	0	450,060
CSERV: Corporate services	180,470	0	620	70	-100	4,720	0	185,780

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

Cost Centre and Description	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
ELADM: Election Administration	43,320					-37,950		5,370
ELECT: Register of Electors	91,530		1,170	-30	-10	13,490		106,150
EMERG: Community Safety	59,570	0	210	-80	-40	4,470	0	64,130
ESTAT: Estates	54,960		-580	320	-80	-1,090	6,780	60,310
FGSUB: Grants & Subscriptions - Policy and Finance	160,560	0	3,160	-550	-920	5,070	0	167,320
FMISC: Policy & Finance Miscellaneous	-54,740	0	-2,080	2,990	-12,090	4,550	0	-61,370
FSERV: Financial Services	0	0	13,040	-700	-2,720	-9,620	0	0
LANDC: Land Charges	17,260		-1,320	-3,070	110	2,040		15,020
LICSE: Licensing	24,980		-1,940	1,290	2,160	16,560		43,050
LSERV: Legal Services	0	0	7,150	-40	4,280	-11,390	0	0
LUNCH: Luncheon Clubs	15,070		260			-1,050		14,280

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

Cost Centre and Description	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
NNDRC: National Non Domestic Rates	36,200		-1,730	1,910	2,040	3,420	0	41,840
OMDEV: Organisation & Member Development	0	0	7,520	-90	11,850	-27,950	8,670	0
PERFM: Performance Reward Grants	55,010		1,070	-1,070	-50,850	-730		3,430
REVUE: Revenues & Benefits	0	-1,230	10,620	-260	-5,030	-8,600	4,500	0
SUPDF: Superannuation Deficiency Payments	97,920		1,960	890	-3,170	0	0	97,600
Grand Total	1,953,820	-1,280	79,110	6,340	-68,050	-42,620	3,470	1,930,790
Associated Movement in Earmarked Reserves	127,680	0	500	0	31,700	0	0	159,880
Net After Earmarked Reserves	2,081,500	-1,280	79,610	6,340	-36,350	-42,620	3,470	2,090,670

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	3,248,880	0	64,960	-970	-43,330	0	0	3,269,540
Premises Related Expenditure	184,970	0	3,690	1,680	9,160	0	0	199,500
Transport Related Expenditure	60,320	0	1,190	-560	1,630	0	0	62,580
Supplies & Services	830,880	-1,280	16,600	3,020	-35,590	0	0	813,630
Third Party Payments	92,600		1,850	820	-3,170	0	0	92,100
Transfer Payments	211,790	0	4,240	-1,610	-50,950	0	0	163,470
Support Services	2,278,460	0			0	77,450	0	2,355,910
Depreciation and Impairment	125,280	0	0	0	0	0	3,600	128,880
Total Expenditure	7,033,180	-1,280	92,530	2,380	-122,250	77,450	3,600	7,085,610
Government Grants	-91,850	0	-1,840	1,840	1,850	0	0	-90,000
Other Grants and Contributions	-192,300	0	-3,840	2,580	50,020	0	0	-143,540
Customer & Client Receipts	-374,640	0	-7,490	-460	2,390	0	0	-380,200
Departmental Recharges	-4,384,060	0			0	-120,860	-130	-4,505,050
Miscellaneous Recharges	-36,510	0	-250	0	-60	790	0	-36,030
Total Income	-5,079,360	0	-13,420	3,960	54,200	-120,070	-130	-5,154,820
Net Expenditure	1,953,820	-1,280	79,110	6,340	-68,050	-42,620	3,470	1,930,790
Associated Movement in Earmarked Reserves	127,680	0	500	0	31,700	0	0	159,880
Net After Earmarked Reserves	2,081,500	-1,280	79,610	6,340	-36,350	-42,620	3,470	2,090,670

8 EARMARKED RESERVES

- 8.1 In the Original Estimate for 2017/18 this committee planned to add £127,680 to earmarked reserves to support its expenditure in future years. Looking forward to 2018/19, the proposal included in the estimates is that this committee add £159,880 to earmarked reserves.
- 8.2 The table below provides a summary of the DRAFT Original Estimate for 2018/19 together with the budgeted impact on the relevant earmarked reserves. Also detailed is a summary of the reasons for the movements on the earmarked reserves

	DRAFT Original Estimate 2018/19	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	1,930,790	
FNBAL/H326 Performance Reward Grant (PRG) Reserve	-2,650	Reserve established from money payable by Central Government for the achievement of targets contained within Local Area Agreements. This contribution from the reserve represents the estimated revenue expenditure in 2018/19, particularly in relation to parish grants.
FNBAL/H288 Superannuation Adjustment Reserve	33,320	Reserve established from set aside superannuation savings. This is as the payment will be made in full at the beginning of the year, rather than monthly, resulting in a lower amount due in year. This contribution to the reserve represents the estimated saving to be made in 2018/19.
FNBAL/H230 Election Fund	22,990	Reserve established from monies set aside on an annual basis to smooth out the cost of local elections. This contribution represents the annual contribution to the reserve for the financial year 2018/19.
FNBAL/H269 Revaluation Reserve	2,110	Reserve established from monies set aside on an annual basis to smooth out the costs of revaluation of assets carried out every five years. This contribution represents the annual contribution to the reserve for the financial year 2018/19

	DRAFT Original Estimate 2018/19	Reason for Movement on Earmarked Reserve
FNBAL/H326 VAT Shelter Reserve	108,080	As part of the housing stock transfer to a social housing landlord an VAT shelter agreement was established. The council receives an annual payment from the landlord which is set aside in a reserve. This contribution represents the annual contribution to the reserve for the financial year 2018/19.
FNBAL/H262 IT Repairs & Renewal Reserve	-3,970	Reserve established to fund future software and hardware upgrades As agreed at Policy and Finance Committee in November 2017, the increased cost of the SQL licences are to be funded from the IT repairs & renewal reserve
Committee Net Cost of Services after Movements on Earmarked Reserves	2,090,670	

9 KEY VARIATIONS

9.1 The net expenditure for this committee has increased by £9,170 after allowing for associated movements on earmarked reserves. The main reasons for this net decrease are summarised in the table below.

Description	Variance Original Estimate 2017/18 to DRAFT Original Estimate 2018/19 £
CEXEC: Chief Executives Department There is a reduction in expenditure due to the anticipated impact of staff turnover. There is also a lower superannuation past service charge due to a discounted charge being incurred as payments are now made in full at the start of the year rather than paying monthly.	-19,100
CLOFF: Council Offices The budget for electricity usage has been increased as the meter readings for usage have increased.	13,110
FMISC: Finance Miscellaneous Reduction in external audit fees budget to reflect the current level of audit fees now being charged.	-28,480
FMISC: Finance Miscellaneous Reduction in income from VAT shelter money paid by Symphony Homes. This is due to the reimbursement rate under the VAT shelter arrangements reducing from 75% to 40%.	49,920
FMISC: Finance Miscellaneous Supernnuation adjustment to bring total superannuation provision to agree with advance payment made. Surplus or deficit to be met from earmarked reserve.	-33,320
OMDEV: Oragnisation & Member Development New budget for payments made in respect of the apprenticeship levy. These payments are set aside and topped up by the government for us to draw-down to pay for apprenticeship level training.	11,930
PERFM: Performance Reward Grants The Parish Grant scheme which fell under this cost centre is now coming to a close and this is reflected in the budget that has been set. After allowing for all commitments there remains just over £60K unallocated in the Performance Reward Grant earmarked reserve.	-50,850
Inflation Provision for inflationary increases	85,950
Support Service Costs Reduction in support costs	-42,620

10 RISK ASSESSMENT

10.1 The approval of this report may have the following implications

- Resources: approval of the original budget for 2018/19 would see a decrease in net expenditure of £23,030 compared with the original budget for 2017/18 or an increase of £9,170 after allowing for movements on earmarked reserves.
- Technical, Environmental and Legal: none identified
- Political: none identified
- Reputation: sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

11 RECOMMENDED THAT COMMITTEE

11.1 Approve the revenue original estimate for 2018/19 and submit this to the Special Policy and Finance Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF6-18/TH/AC
11 January 2018

For further background information please ask for Trudy Holderness

BACKGROUND PAPERS - None