

meeting date: 6 MARCH 2018

title: REVENUE BUDGET 2018/19 AND CAPITAL PROGRAMME 2018/19 –
2022/23 AND SETTING THE COUNCIL TAX FOR EACH CATEGORY OF
DWELLING IN THE COUNCIL'S AREA FOR 2018/19

submitted by: DIRECTOR OF RESOURCES

principal author: JANE PEARSON

1. PURPOSE

- 1.1. To set the budget for 2018/19 and to set the different amounts of council tax for different parts of the area where special items apply (Parish precepts).

2. THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES

- 2.1. The Prudential Code for Capital Finance and the prudential indicators are set out in Annex 1.
- 2.2. The Code and the indicators are intended to inform the Council, in setting the capital programme, that the programme is both affordable and sustainable. The indicators also include the maximum and operational borrowing levels for the Council.

3. CAPITAL PROGRAMME

- 3.1. At their meeting on 6 February 2018, Policy and Finance Committee considered the revised capital programme for 2017/18 and also a five year capital programme for the years 2018/19 to 2022/23.
- 3.2. The Budget Working Group have reviewed the Council's forward capital plans in order to produce an achievable and affordable programme. Heads of Services were asked to submit new bids which were considered by service committees. The Council's Corporate Management Team considered the draft programme and made recommendations to the Budget Working Group.
- 3.3. The result of their deliberations is a revised capital programme for 2017/18 totalling £1,274,220 and a capital programme for the years 2018/19 to 2022/23 totalling £6,624,860 which is shown in Annex 2.

4. MINIMUM REVENUE PROVISION

- 4.1. The Council is required each year to agree a Minimum Revenue Provision (MRP) Policy Statement setting out how the Council will make a charge to revenue in respect of previous capital expenditure. This Policy Statement is also set out in Annex 1.

5. REVENUE BUDGET

2017/18 Revised

- 5.1. We originally budgeted to spend £5.154 million (before use of balances). The revised estimate is that net expenditure will be higher at £5.187 million. Details are shown in summary in Annex 3. The revised budget for 2017/18 is:

	Revised Estimate 2017/18 £
Net Committee Budget	6,961
Capital Adjustments	
Less Depreciation (included in above)	-910
Add Minimum Revenue Provision (MRP)	132
Total Expenditure	6,183
Other Items	
External Interest Payable	8
Interest Earned	-16
Rural Areas Delivery Grant	-87
Transition Grant	-20
New Homes Bonus	-1,577
Income from Business Rates	-1,180
Earmarked Reserves	
Transfer From/To Various Funds	1,876
Net Expenditure	5,187
Adjustment to Balances to Get to Agreed Budget	-283
Agreed budget for year	4,904

5.2. We estimate this will leave general fund balances at 31 March 2018 of £2,396,000.

Local Government Grant Settlement

5.3. The Provisional Grant Settlement was announced on 19 December 2017. A full report detailing the provisional settlement was submitted to the special Policy and Finance Committee meeting on 6 February 2018. The Final Settlement was announced on the same date and an update was provided to the meeting.

Final Settlement Funding Assessment	£1.411972m
Consists of:	
Revenue Support Grant	0.109149m
Business Rates Baseline (Target)	1.302823m
Tariff	*-4.176090m
Rural Services Delivery Grant	0.107921m

- **Includes £28,828 adjustment to 2017/18 tariff**

Forecast Budget 2018/19

5.4. Special Policy and Finance Committee have recommended a net budget of £4,933,425. Details are shown in Annex 3. This results in the following budget requirement:

	£
Borough Requirement	4,933,425
Parish Council Requirements	435,183
Total Borough and Parish Requirements	5,368,608

6. ROBUSTNESS OF THE ESTIMATES AND BALANCES AND RESERVES

Robustness of the Estimates

- 6.1. It is a specific requirement of section 25 of the Local Government Act 2003 for the chief financial officer to report on the robustness of the budget and the adequacy of the Council's balances and reserves.
- 6.2. I can confirm that throughout the budget process all practical steps have been taken to identify and make budgetary provision for all likely commitments facing the Council in 2018/19. The preparation of the base committee estimates remains a vital part of ensuring the robustness and financial integrity of the budget and ensures that all service committees are aware of the resource allocation and budgetary pressures facing their service areas. My report to the special Policy and Finance Committee set out the various processes followed to ensure the Council's estimates are robust.

Adequacy of Reserves

- 6.3. A reasonable level of balances is needed to provide funds to:
- ❖ Finance levels of inflation in excess of those provided in the budget
 - ❖ Provide for unforeseen expenditure
 - ❖ Finance expenditure in advance of income
 - ❖ Allow flexibility as the year progresses
- 6.4. The availability of balances has increased in importance since the Local Government Finance Act 1982 revoked local authorities' power to issue supplementary precepts.

General Fund Balances

- 6.5. At this stage general fund balances are estimated as follows:

	£000
Opening Balance 1 April 2017	2,679
Estimated Amount to be taken from Balances in 2017/18	-283
Estimated Balances in Hand 31 March 2018	2,396
Estimated Amount to be taken from Balances in 2018/19	-171
Estimated Balances in Hand 31 March 2019	2,225

- 6.6. 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.

6.7. When the medium term financial strategy was recently reviewed the minimum level of balances to retain was confirmed to be £700,000 bearing in mind our record of strong budgetary control.

6.8. In 2018/19 we estimate that £171,000 will be taken from balances to support the budget.

Earmarked Reserves

6.9. The Council holds a number of reserves earmarked for specific purposes. The movements in these reserves forecast for 2017/18 and 2018/19 were reported to the special Policy and Finance Committee.

6.10. The earmarked reserves are also judged to be adequate to meet the commitments and forecast expenditure facing the Council.

7. COLLECTION FUND

Collection Fund surplus/deficit

7.1. The position on the collection fund has been estimated and details are shown in Annex 4.

7.2. I forecast that there will be a surplus on the collection fund for Council Tax at 31 March 2018 of £694,588 and a deficit of £62,911 for Business Rates. The equivalent shares will be paid to/recovered from the appropriate authorities in 2018/19.

8. RECOMMENDED THAT COUNCIL

8.1. Approve the following submitted by the Policy and Finance Committee:

- a) The revised revenue estimates for 2017/18 and the revenue estimates for 2018/19.
- b) The revised capital programme for 2017/18 and the five year capital programme for 2018/19 to 2022/23.

8.2. Approve the prudential indicators, borrowing limits and MRP Policy Statement as set out in Annex 1.

8.3. Note that, under delegated powers in accordance with section 84 of the Local Government Act 2003, the Council has determined the following amounts for 2018/19, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), as its council tax base for the year.

- a) 22,902 being the amount of its council tax base for the whole district [item T in the formula in section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]; and
- b)

Parish Area	Tax base
Aughton, Bailey & Chaigley	446
Balderstone	197
Barrow	449
Bashall Eaves, Great Mitton & Little Mitton	205
Billington & Langho	2,124

Parish Area	Tax base
Bolton by Bowland, Gisburn Forest & Sawley	488
Bowland Forest (High)	70
Bowland Forest (Low)	79
Bowland with Leagram	86
Chatburn	380
Chipping	488
Clayton le Dale	510
Clitheroe	5,225
Dinckley	44
Downham	48
Dutton	105
Gisburn	211
Grindleton	360
Horton	47
Hothersall	73
Longridge	2,772
Mearley	8
Mellor	1,000
Newsholme	20
Newton	146
Osbaldeston	111
Paythorne	43
Pendleton	106
Ramsgreave	280
Read	564
Ribchester	661
Rimington & Middop	239
Sabden	524
Salesbury	193
Simonstone	497
Slaidburn & Easington	150
Thornley with Wheatley	167
Twiston	35
Waddington	456
West Bradford	362
Whalley	1,627
Wilpshire	1,078
Wiswell	183
Worston	45
	22,902

being the amounts calculated by the Council, in accordance with Regulation 6 of the regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

- 8.4. Calculate that the Council Tax requirement for the Council's own purposes for 2018/19 (excluding Parish precepts) is £3,451,102.

8.5. Calculate the following amounts for 2018/19, in accordance with Sections 31 to 36 of the Act:

- a) £27,069,264 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- b) £23,182,979 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c) £3,886,285 Being the amount by which the aggregate at 8.5(a) above exceeds the aggregate at 8.5(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- d) £169.69 Being the amount at 8.5(c) above (Item R), all divided by Item T (8.3(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) £435,183 Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- f) £150.69 Being the amount at 8.5(d) above less the result given by dividing the amount at 8.5(e) above by Item T (8.3(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- g) Aggregate of the basic amount of council tax for Ribble Valley Borough Council and Parish precept for Band D properties:

Parts of the Council's area	£
Aighton, Bailey & Chaigley	162.24
Balderstone	159.32
Barrow	172.01
Bashall Eaves, Great Mitton & Little Mitton	156.70
Billington & Langho	160.60
Bolton by Bowland, Gisburn Forest & Sawley	192.54
Bowland Forest Higher	181.65
Bowland Forest Lower	165.88
Bowland with Leagram	153.02
Chatburn	180.62
Chipping	166.57

Parts of the Council's area	£
Clayton le Dale	156.57
Clitheroe	171.93
Dinckley	150.69
Downham	150.69
Dutton	155.45
Gisburn	175.69
Grindleton	171.52
Horton	150.69
Hothersall	164.39
Longridge	176.12
Mearley	150.69
Mellor	165.35
Newsholme	150.69
Newton	167.81
Osbaldeston	157.45
Paythorne	150.69
Pendleton	162.95
Ramsgreave	157.83
Read	167.93
Ribchester	162.53
Rimington & Middop	173.70
Sabden	179.26
Salesbury	175.56
Simonstone	167.59
Slaidburn & Easington	164.36
Thornley with Wheatley	159.67
Twiston	150.69
Waddington	180.30
West Bradford	169.90
Whalley	172.72
Wilpshire	166.90
Wiswell	177.21
Worston	150.69

Being the amount given by adding to the amount at 8.5(f) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount contained in 8.3(b), calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

h) Aggregate of the basic amount of council tax for Ribble Valley Borough Council and Parish precept for Band D properties by valuation band:

	VALUATION BANDS							
	A £	B £	C £	D £	E £	F £	G £	H £
Aughton, Bailey & Chaigley	108.16	126.18	144.22	162.24	198.30	234.34	270.40	324.48
Balderstone	106.21	123.91	141.62	159.32	194.73	230.13	265.53	318.64
Barrow	114.67	133.78	152.90	172.01	210.24	248.46	286.68	344.02
Bashall Eaves, Great Mitton & Little Mitton	104.47	121.87	139.29	156.70	191.53	226.34	261.17	313.40
Billington & Langho	107.07	124.91	142.76	160.60	196.29	231.97	267.67	321.20
Bolton by Bowland, Gisburn Forest & Sawley	128.36	149.75	171.15	192.54	235.33	278.11	320.90	385.08
Bowland Forest Higher	121.10	141.28	161.47	181.65	222.02	262.38	302.75	363.30
Bowland Forest Lower	110.59	129.01	147.45	165.88	202.75	239.60	276.47	331.76
Bowland with Leagram	102.01	119.01	136.02	153.02	187.03	221.03	255.03	306.04
Chatburn	120.41	140.48	160.55	180.62	220.76	260.89	301.03	361.24
Chipping	111.05	129.55	148.07	166.57	203.59	240.60	277.62	333.14
Clayton le Dale	104.38	121.77	139.18	156.57	191.37	226.15	260.95	313.14
Clitheroe	114.62	133.72	152.83	171.93	210.14	248.34	286.55	343.86
Dinckley	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Downham	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Dutton	103.63	120.90	138.18	155.45	190.00	224.54	259.08	310.90
Gisburn	117.13	136.64	156.17	175.69	214.74	253.77	292.82	351.38
Grindleton	114.35	133.40	152.47	171.52	209.64	247.75	285.87	343.04
Horton	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Hothersall	109.59	127.86	146.13	164.39	200.92	237.45	273.98	328.78
Longridge	117.41	136.98	156.55	176.12	215.26	254.39	293.53	352.24
Mearley	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Mellor	110.23	128.60	146.98	165.35	202.10	238.84	275.58	330.70
Newsholme	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Newton	111.87	130.52	149.17	167.81	205.10	242.39	279.68	335.62
Osbaldeston	104.97	122.46	139.96	157.45	192.44	227.42	262.42	314.90
Paythorne	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Pendleton	108.63	126.74	144.85	162.95	199.16	235.37	271.58	325.90
Ramsgreave	105.22	122.75	140.30	157.83	192.91	227.97	263.05	315.66
Read	111.95	130.61	149.27	167.93	205.25	242.56	279.88	335.86
Ribchester	108.35	126.41	144.47	162.53	198.65	234.76	270.88	325.06
Rimington & Middop	115.80	135.10	154.40	173.70	212.30	250.90	289.50	347.40
Sabden	119.51	139.42	159.35	179.26	219.10	258.93	298.77	358.52
Salesbury	117.04	136.54	156.06	175.56	214.58	253.58	292.60	351.12

VALUATION BANDS								
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Simonstone	111.73	130.34	148.97	167.59	204.84	242.07	279.32	335.18
Slaidburn & Easington	109.57	127.83	146.10	164.36	200.89	237.41	273.93	328.72
Thornley with Wheatley	106.45	124.18	141.93	159.67	195.16	230.63	266.12	319.34
Twiston	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Waddington	120.20	140.23	160.27	180.30	220.37	260.43	300.50	360.60
West Bradford	113.27	132.14	151.03	169.90	207.66	245.41	283.17	339.80
Whalley	115.15	134.33	153.53	172.72	211.11	249.48	287.87	345.44
Wilpshire	111.27	129.81	148.36	166.90	203.99	241.07	278.17	333.80
Wiswell	118.14	137.83	157.52	177.21	216.59	255.97	295.35	354.42
Worston	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38

being the amounts given by multiplying (as appropriate) the amounts at 8.5(f) or 8.5(g) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 8.6. Note, that for 2018/19 Lancashire County Council has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands								
A	B	C	D	E	F	G	H	
£	£	£	£	£	£	£	£	£
863.28	1,007.16	1,151.04	1,294.92	1,582.68	1,870.44	2,158.20	2,589.84	

- 8.7. Note, that for 2018/19 the Police and Crime Commissioner for Lancashire has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands								
A	B	C	D	E	F	G	H	
£	£	£	£	£	£	£	£	£
118.30	138.02	157.73	177.45	216.88	256.32	295.75	354.90	

- 8.8. Note, that for 2018/19 Lancashire Combined Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands							
A £	B £	C £	D £	E £	F £	G £	H £
44.97	52.47	59.96	67.46	82.45	97.44	112.43	134.92

8.9. Having calculated the aggregate in each case of the amounts at 8.5(h), 8.6, 8.7 and 8.8 above, the Council, in accordance with Section 30(2) of the Act, hereby sets the following amounts as the amounts of council tax for 2018/19 for each of the categories of dwellings shown below:

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Aighton, Bailey & Chaigley	1,134.71	1,323.83	1,512.95	1,702.07	2,080.31	2,458.54	2,836.78	3,404.14
Balderstone	1,132.76	1,321.56	1,510.35	1,699.15	2,076.74	2,454.33	2,831.91	3,398.30
Barrow	1,141.22	1,331.43	1,521.63	1,711.84	2,092.25	2,472.66	2,853.06	3,423.68
Bashall Eaves, Great Mitton & Little Mitton	1,131.02	1,319.52	1,508.02	1,696.53	2,073.54	2,450.54	2,827.55	3,393.06
Billington & Langho	1,133.62	1,322.56	1,511.49	1,700.43	2,078.30	2,456.17	2,834.05	3,400.86
Bolton by Bowland, Gisburn Forest & Sawley	1,154.91	1,347.40	1,539.88	1,732.37	2,117.34	2,502.31	2,887.28	3,464.74
Bowland Forest (High)	1,147.65	1,338.93	1,530.20	1,721.48	2,104.03	2,486.58	2,869.13	3,442.96
Bowland Forest (Low)	1,137.14	1,326.66	1,516.18	1,705.71	2,084.76	2,463.80	2,842.85	3,411.42
Bowland with Leagram	1,128.56	1,316.66	1,504.75	1,692.85	2,069.04	2,445.23	2,821.41	3,385.70
Chatburn	1,146.96	1,338.13	1,529.28	1,720.45	2,102.77	2,485.09	2,867.41	3,440.90
Chipping	1,137.60	1,327.20	1,516.80	1,706.40	2,085.60	2,464.80	2,844.00	3,412.80
Clayton le Dale	1,130.93	1,319.42	1,507.91	1,696.40	2,073.38	2,450.35	2,827.33	3,392.80
Clitheroe	1,141.17	1,331.37	1,521.56	1,711.76	2,092.15	2,472.54	2,852.93	3,423.52
Dinckley	1,127.01	1,314.85	1,502.68	1,690.52	2,066.19	2,441.86	2,817.53	3,381.04
Downham	1,127.01	1,314.85	1,502.68	1,690.52	2,066.19	2,441.86	2,817.53	3,381.04
Dutton	1,130.18	1,318.55	1,506.91	1,695.28	2,072.01	2,448.74	2,825.46	3,390.56
Gisburn	1,143.68	1,334.29	1,524.90	1,715.52	2,096.75	2,477.97	2,859.20	3,431.04
Grindleton	1,140.90	1,331.05	1,521.20	1,711.35	2,091.65	2,471.95	2,852.25	3,422.70
Horton	1,127.01	1,314.85	1,502.68	1,690.52	2,066.19	2,441.86	2,817.53	3,381.04
Hothersall	1,136.14	1,325.51	1,514.86	1,704.22	2,082.93	2,461.65	2,840.36	3,408.44
Longridge	1,143.96	1,334.63	1,525.28	1,715.95	2,097.27	2,478.59	2,859.91	3,431.90
Mearley	1,127.01	1,314.85	1,502.68	1,690.52	2,066.19	2,441.86	2,817.53	3,381.04
Mellor	1,136.78	1,326.25	1,515.71	1,705.18	2,084.11	2,463.04	2,841.96	3,410.36

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Newsholme	1,127.01	1,314.85	1,502.68	1,690.52	2,066.19	2,441.86	2,817.53	3,381.04
Newton	1,138.42	1,328.17	1,517.90	1,707.64	2,087.11	2,466.59	2,846.06	3,415.28
Osbaldeston	1,131.52	1,320.11	1,508.69	1,697.28	2,074.45	2,451.62	2,828.80	3,394.56
Paythorne	1,127.01	1,314.85	1,502.68	1,690.52	2,066.19	2,441.86	2,817.53	3,381.04
Pendleton	1,135.18	1,324.39	1,513.58	1,702.78	2,081.17	2,459.57	2,837.96	3,405.56
Ramsgreave	1,131.77	1,320.40	1,509.03	1,697.66	2,074.92	2,452.17	2,829.43	3,395.32
Read	1,138.50	1,328.26	1,518.00	1,707.76	2,087.26	2,466.76	2,846.26	3,415.52
Ribchester	1,134.90	1,324.06	1,513.20	1,702.36	2,080.66	2,458.96	2,837.26	3,404.72
Rimington & Middop	1,142.35	1,332.75	1,523.13	1,713.53	2,094.31	2,475.10	2,855.88	3,427.06
Sabden	1,146.06	1,337.07	1,528.08	1,719.09	2,101.11	2,483.13	2,865.15	3,438.18
Salesbury	1,143.59	1,334.19	1,524.79	1,715.39	2,096.59	2,477.78	2,858.98	3,430.78
Simonstone	1,138.28	1,327.99	1,517.70	1,707.42	2,086.85	2,466.27	2,845.70	3,414.84
Slaidburn & Easington	1,136.12	1,325.48	1,514.83	1,704.19	2,082.90	2,461.61	2,840.31	3,408.38
Thornley with Wheatley	1,133.00	1,321.83	1,510.66	1,699.50	2,077.17	2,454.83	2,832.50	3,399.00
Twiston	1,127.01	1,314.85	1,502.68	1,690.52	2,066.19	2,441.86	2,817.53	3,381.04
Waddington	1,146.75	1,337.88	1,529.00	1,720.13	2,102.38	2,484.63	2,866.88	3,440.26
West Bradford	1,139.82	1,329.79	1,519.76	1,709.73	2,089.67	2,469.61	2,849.55	3,419.46
Whalley	1,141.70	1,331.98	1,522.26	1,712.55	2,093.12	2,473.68	2,854.25	3,425.10
Wilpshire	1,137.82	1,327.46	1,517.09	1,706.73	2,086.00	2,465.27	2,844.55	3,413.46
Wiswell	1,144.69	1,335.48	1,526.25	1,717.04	2,098.60	2,480.17	2,861.73	3,434.08
Worston	1,127.01	1,314.85	1,502.68	1,690.52	2,066.19	2,441.86	2,817.53	3,381.04

DIRECTOR OF RESOURCES

C2-18/JP/AC
23 FEBRUARY 2018

PRUDENTIAL CODE

In order to demonstrate that local authorities have fulfilled the objectives of the Prudential Code, it sets out a basket of indicators that must be prepared and used. The required indicators have to be set on a three year time frame and are designed to support and record local decision-making.

CAPITAL EXPENDITURE

1. The actual capital expenditure that was incurred in 2016/17 is shown alongside the current and future years that are recommended for approval:

Capital Expenditure					
Committee	2016/17 Actual	2017/18 Revised Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
	£	£	£	£	£
Community	416,094	457,630	712,200	1,979,320	354,120
Economic Development	0	0	100,000	0	0
Health & Housing	175,826	638,690	522,000	347,000	360,500
Planning & Development	0	30,200	0	14,500	0
Policy & Finance	123,990	147,700	156,420	45,000	0
Total	715,910	1,274,220	1,490,620	2,385,820	714,620

2. Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2016/17 are:

Ratio of Financing Costs to Revenue Stream				
2016/17 Actual	2017/18 Revised Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
2.38%	2.53%	2.38%	2.29%	2.40%

The estimates of financing costs include current commitments and the proposals in the Council's recommended revenue and capital budgets.

3. Estimates of the end of year capital financial requirement for the authority for the current and future years and the actual capital financing requirements at 31 March 2017 are:

PRUDENTIAL CODE

Capital Financing Requirement				
31/03/17	31/03/18 Revised Estimate	31/03/19	31/03/20	31/03/21
Actual £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000
3,580	3,523	3,567	4,668	4,526

4. The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, the Council does not associate borrowing with particular items or types of expenditure. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. We have, at any point in time, a number of cash flows, both positive and negative, and manage our treasury position in terms of our borrowings and investments in accordance with our approved treasury management strategy and practices. In day-to-day cash management we make no distinction between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirements reflects the authority's underlying need to borrow for a capital purpose.
5. CIPFA's Prudential Code for Capital Finance in local Authorities includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net debt will only be for a capital purpose, the local authority should ensure that gross external debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

I can report that the authority had no difficulty meeting this requirement in 2016/17, nor are any difficulties envisaged for the current or next two years. This view takes into account current commitments, existing plans and the proposals in the Council's budget report.

EXTERNAL DEBT

6. In respect of our external debt, it is recommended that the Council approves the following authorised limits for our total external debt, gross of investments, for the next three financial years and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary. These limits separately identify borrowing from other long-term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to me, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

PRUDENTIAL CODE

Authorised Limit for External Debt			
	2018/19 £'000	2019/20 £'000	2020/21 £'000
Borrowing	30,439	31,370	30,777
Other Long-Term Liabilities	0	0	0
Total	30,439	31,370	30,777

7. The authorised limit for external debt is the upper limit on the level of gross external indebtedness, which must not be breached without council approval. It is the **worst-case scenario**. It reflects the level of borrowing, which while not desired, could be afforded but may not be sustainable. Any breach must be reported to Council, indicating the reason for the breach and the corrective action undertaken or required to be taken.
8. This limit also factors in the worst-case scenario implications around this council being the lead authority of the Lancashire Business Rates Pool.
9. The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly my estimate of the most likely prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by my staff and me. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is also asked to delegate authority to me, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.
10. Unlike the Authorised Limit, the council's role as the lead authority of the Lancashire Business Rates Pool does not impact on the setting of the Operational Boundary.

Operational Boundary for External Debt			
	2018/19 £'000	2019/20 £'000	2020/21 £'000
Borrowing	7,506	8,080	6,684
Other Long Term Liabilities	0	0	0
Total	7,506	8,080	6,684

PRUDENTIAL CODE

11. The Council's actual external debt at 31 March 2017 was £177,164, comprising £177,164 borrowing and £0 other long-term liabilities. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary since the actual external debt reflects the position at one point in time.
12. In taking its decisions on this budget report the Council is asked to note that the authorised limit determined for 2018/19 (see paragraph 6 above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

Consideration of Options for the Capital Programme

13. In considering its programme for capital investment the Council is required, within the Prudential Code, to have regard to:
 - Service objectives, e.g. strategic planning for the authority
 - Stewardship of assets, e.g. asset management planning
 - Value for money, e.g. option appraisal
 - Prudence and sustainability, e.g. implications for external debt and whole life costing
 - Affordability, e.g. implications for council tax
 - Practicality, e.g. achievability of the forward plan.

Minimum Revenue Provision

14. The Council is required each year to pay off an element of its accumulated General Fund capital expenditure through a revenue charge, the Minimum Revenue Provision (MRP).
15. The Ministry of Housing, Communities and Local Government (MHCLG) issued regulations which require Full Council to approve a MRP Policy Statement in advance of each financial year. The following MRP Policy Statement is recommended for 2018/19.

Minimum Revenue Provision Policy Statement

- a) For capital expenditure incurred **before** 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP Policy will be to allow MRP equal to 4% of the capital financing requirement (the element of which relates to capital expenditure incurred before 1 April 2008) at the end of the previous financial year.
- b) For capital expenditure incurred **after** 1 April 2008, for all Unsupported Borrowing the MRP Policy will be to follow the Asset Life Method (Equal Instalment method), i.e. the MRP will be based upon the estimated life of the assets financed from borrowing.

FIVE YEAR CAPITAL PROGRAMME 2018/19 – 2022/23

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	TOTAL £
COMMUNITY SERVICES COMMITTEE						
Play Area Improvements	40,000	40,000	40,000	40,000	45,000	205,000
Replacement of Refuse Wheelie Bins	10,000	10,000	10,000	10,000	10,000	50,000
Renewal of sections of floor to residual waste transfer station	23,500					23,500
Replacement of Paper Collection Vehicle VX55 KXD	49,000					49,000
Replacement of Refuse Collection Vehicle PO60 YEK	222,500					222,500
Purchase of Verti Drain Equipment	46,000					46,000
Replacement of Car Parking Van - Fiat Doblo PN09 MHY with an equivalent spec	13,000					13,000
Replacement of Garwood (12 Tonne GVW) single bodied RCV & Cage Truck with single multi-use vehicle - PN05 PWL	120,000					120,000
Replacement mower (Haytor) PN07 MVG	41,000					41,000
Replacement mower (Kubota) PN09 SWO	18,500					18,500
Replacement Mini Tractor and Trailer (John Deere) - PN06 TSZ	12,000					12,000
Replacement Truck (Ford) c/w Tail Lift	37,500					37,500
All Weather Pitch Lighting	31,000					31,000
Replacement of IVECO Daily Crew Cab (PO60 AZL)	48,200					48,200
Castle Keep Lime Repointing Works and Repairs (Subject to External Funding)		311,320				311,320

FIVE YEAR CAPITAL PROGRAMME 2018/19 – 2022/23

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	TOTAL £
Replacement of Clitheroe CCTV System		60,000				60,000
Replacement of Refuse Collection Vehicle VU60 HNX		227,000				227,000
Replacement of Paper Collection Vehicle VU06 TKN		50,000				50,000
Installation of a Second Parking Deck on Chester Avenue Car Park		1,230,000				1,230,000
Replacement Gang Mower (rvbc 009)		29,000				29,000
Replacement Mini Tractor with Bucket for PN05 BYS		22,000				22,000
Replacement of Refuse Collection Vehicle VN12 KYK			232,000			232,000
Replacement of JCB Gravemaster Digger			32,000			32,000
Replacement of Pickup Ford Ranger PK60 HKN			20,120			20,120
Replacement High Top Transit Van for PJ63 WUC			20,000			20,000
Replacement of Refuse Collection Vehicle VU62 HXK				232,000		232,000
Replacement of Works Iveco Tipper (PO60 AYK)					40,600	40,600
Replacement of Hustler Trimstar Mower x 2 (rvbc017 and rvbc018)					14,000	14,000
Replacement of John Deere Mower 4x4 (PE15 YVK)					21,500	21,500
Replacement of John Deere Mower (PN07 OWU)					20,000	20,000
Ribblesdale Pool Filter and Pipework Replacement					44,000	44,000
Replacement Football Goals					15,000	15,000
Replacement of Refuse Collection Vehicle (PJ63 JZO)					245,000	245,000

FIVE YEAR CAPITAL PROGRAMME 2018/19 – 2022/23

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	TOTAL £
Replacement of High Top Transit Van (PK06 HKA)					20,000	20,000
Salthill Depot Garage – Supply and Install New Vehicle Brake Tester					61,900	61,900
Salthill Depot Garage – Replace roller shutter doors and rewire garage					25,000	25,000
Replacement of Pay and Display machines					123,800	123,800
Total Community Services Committee	712,200	1,979,320	354,120	282,000	685,800	4,013,440

ECONOMIC DEVELOPMENT COMMITTEE

Economic Development Initiatives (moved from 2017/18)	100,000					100,000
Total Planning and Development Committee	100,000	0	0	0	0	100,000

HEALTH AND HOUSING COMMITTEE

Disabled Facilities Grants	297,000	297,000	297,000	297,000	297,000	1,485,000
Landlord/Tenant Grants	50,000	50,000	50,000	50,000	50,000	250,000
Clitheroe Market Improvements (moved from 2017/18)	175,000					175,000
Replacement of Pest Control Van (PK13 FJP)			13,500			13,500
Replacement of Dog Warden Van (PE64 EYC)				13,500		13,500
Total Health and Housing Committee	522,000	347,000	360,500	360,500	347,000	1,937,000

FIVE YEAR CAPITAL PROGRAMME 2018/19 – 2022/23

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	TOTAL £
PLANNING AND DEVELOPMENT COMMITTEE						
Replacement of Plotter/Copier in the Planning Section		14,500				14,500
Total Planning and Development Committee	0	14,500	0	0	0	14,500
POLICY AND FINANCE COMMITTEE						
Queensway Garages - Replace roof covering and repairs	23,000					23,000
Lift Replacement at the Council Offices	87,000					87,000
Financial System Upgrade	46,420					46,420
Redesign of the Corporate Website		30,000				30,000
Corporate Firewall		15,000				15,000
Dewhurst Road, Langho – Resurfacing Works					68,500	68,500
Brookfoot Footbridge, Ribchester – Replacement of Bridge					110,000	110,000
ICT Infrastructure Refresh					180,000	180,000
Total Policy and Finance Committee	156,420	45,000	0	0	358,500	559,920
TOTAL CAPITAL PROGRAMME 2018/19 TO 2022/23	1,490,620	2,385,820	714,620	642,500	1,391,300	6,624,860

FIVE YEAR CAPITAL PROGRAMME 2018/19 – 2022/23

FINANCING	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
	£	£	£	£	£	£
Disabled Facility Grants	-297,000	-297,000	-297,000	-297,000	-297,000	-1,485,000
VAT Shelter Earmarked Reserve	-69,500	-127,880	-122,120	-50,000	-50,000	-419,500
Capital Earmarked Reserve	-100,000	-7,520				-107,520
New Homes Bonus Earmarked Reserve	-209,000	-313,600	-272,000	-272,000		-1,066,600
Potential External Funding		-222,240				-222,240
Invest to Save Earmarked Reserve	-23,000					-23,000
Planning Earmarked Reserve		-14,500				-14,500
ICT Renewals Earmarked Reserve	-13,908	-45,000			-87,641	-146,549
Vehicle and Plant Renewals Earmarked Reserve	-400,500				-37,500	-438,000
Fleming Vat Earmarked Reserve		-29,000			-38,272	-67,272
Refuse (Wheeled Bins) Earmarked Reserve	-10,000	-10,000	-10,000	-10,000	-10,000	-50,000
Rural Services Delivery Earmarked Reserve	-105,544					-105,544
Equipment (Transparency Grant) Earmarked Reserve	-32,512					-32,512
Usable Capital Receipts		-89,080	-13,500	-13,500	-396,500	-512,580
Business Rates Growth Earmarked Reserve	-54,656	0	0	0	-474,387	-529,043
Borrowing	-175,000	-1,230,000				-1,405,000
TOTAL FINANCING 2018/19 TO 2022/23	-1,490,620	-2,385,820	-714,620	-642,500	-1,391,300	-6,624,860

REVENUE BUDGET

	Original Estimate 2017/18 £	Revised Estimate 2017/18 £	Original Estimate 2018/19 £
Community Services Committee	3,335,970	3,429,440	3,764,020
Economic Development Committee	214,610	233,960	270,240
Policy and Finance Committee	1,953,820	1,872,850	1,930,790
Health and Housing Committee	924,540	838,940	976,510
Planning and Development Committee	566,660	585,830	461,540
Committee Net Requirements	6,995,600	6,961,020	7,403,100
Capital Charges Adjustment			
- <i>Remove Depreciation</i>	-876,200	-910,290	-892,620
- <i>Replace with Minimum Revenue Provision</i>	131,820	131,820	130,560
Total Expenditure	6,251,220	6,182,550	6,641,040
External Interest – Payable	7,830	7,830	7,030
Interest – Earned	-15,660	-15,660	-20,000
New Homes Bonus Grant	-1,576,964	-1,576,990	-1,573,388
Transition Grant	-20,345	-20,345	0
Rural Areas Delivery Grants	-86,603	-86,603	-107,921
Contingency for pay award	0	0	75,000
Business Rates			
- Retained Rates Income	-447,824	-418,996	-398,857
- Renewable Energy	-29,091	-87,605	-81,921
- Section 31 Grant for Business Rates	-591,197	-681,856	-930,916
- 10% of Retained Levy – Payable to LCC under Pooling Arrangements	50,080	54,307	52,737
- Share of Business Rates Deficit/(Surplus) on Collection Fund	-45,368	-45,368	25,165
Less Added to/(taken from) Earmarked Reserves			
- <i>Relating to Community Services Committee</i>			
Community Safety Partnership	-13,520	1,500	-13,780
Vehicle and Plant Repairs and Renewals Fund	46,000	46,000	0
Recreation Grants Reserve	0	-20,090	0
Exercise Referral Reserve	0	-250	0
Refuse Collection	0	20,480	2,040
Food Festival Reserve	0	-8,180	0
Capital Reserve	0	14,540	0
- <i>Relating to Policy & Finance Committee</i>			
Elections	22,540	18,070	22,990
Performance Reward Grant	-53,500	-15,720	-2,650
IER Reserve	-1,420	-8,480	0
Equipment Reserve - LCTS S31		-12,320	0

REVENUE BUDGET

	Original Estimate 2017/18 £	Revised Estimate 2017/18 £	Original Estimate 2018/19 £
IT Reserve		-6,520	-3,970
Add to VAT Shelter	158,000	205,650	108,080
Pensions Triennial Revaluation Reserve	0	7,920	33,320
Revaluation Reserve	2,060	2,060	2,110
<i>- Relating to Health & Housing Committee</i>			
Equipment Reserve		9,550	0
Government Housing Grants	-130	34,890	-17,960
Capital Reserve		4,020	0
<i>- Relating to Planning & Development Committee</i>			
Building Control Fee Earning	5,490	11,510	15,020
Neighbourhood Planning Reserve		-4,930	0
Pendle Hill User Reserve		440	0
Restructuring Reserve		-35,820	0
Planning Reserve - Local Development Scheme	-42,900	-40,140	-19,160
<i>- Corporate Movements in Reserves</i>			
Added to New Homes Bonus Reserve	783,885	783,911	468,388
Business Rates Volatility Reserve - Balance (Taken)/Added	787,886	904,004	0
Business Rates Growth Reserve - Balance (Taken)/Added			858,278
Post LSVT Reserve (Pensions) - BWG	-36,512	-36,512	-36,512
General Balances	-250,000	-282,890	-170,738
Net Expenditure	4,903,957	4,903,957	4,933,425
Parish Precepts	405,278	405,278	435,183
Budget Requirement	5,309,235	5,309,235	5,368,608
Less Settlement Funding Assessment			
– Revenue Support Grant	-304,319	-304,319	-109,149
– NNDR Share	-1,264,824	-1,264,824	-1,302,823
Council Tax (Surplus)/Deficit	-59,557	-59,557	-70,351
Precept	3,680,535	3,680,535	3,886,285
Taxbase	22,481	22,481	22,902
Council Tax	145.69	145.69	150.69
Council Tax (including Parishes)	163.72	163.72	169.69

COLLECTION FUND

Collection Fund	Original 2017/18 £	Revised 2017/18 £
<u>Council Tax</u>		
Precepts:		
<i>Lancashire County Council</i>	27,465,937	27,465,937
<i>Lancashire Police and Crime Commissioner</i>	3,719,481	3,719,481
<i>Lancashire Combined Fire Authority</i>	1,472,506	1,472,506
<i>Ribble Valley including Parishes</i>	3,680,535	3,680,535
Allocation of Surplus:		
<i>Ribble Valley including Parishes</i>	59,558	59,558
<i>Lancashire County Council</i>	429,807	429,807
<i>Lancashire Combined Fire Authority</i>	23,962	23,962
<i>Police & Crime Commissioner for Lancashire</i>	59,346	59,346
Overpayments of Council Tax Benefit		15,727
Bad Debts Provision	274,598	100,000
Expenditure Subtotal - Council Tax	37,185,730	37,026,859
<u>Business Rates</u>		
Cost of Collection	88,997	88,997
Enterprise Zones	21,152	150,328
Renewable Energy Schemes	29,091	87,605
Transitional Protection	23,552	21,180
Allocation of Surplus:		
<i>Central Government</i>	56,711	56,711
<i>Ribble Valley</i>	45,369	45,369
<i>Lancashire County Council</i>	10,208	10,208
<i>Lancashire Combined Fire Authority</i>	1,134	1,134
Distribution of Business Rates		
<i>Central Government</i>	7,137,649	7,137,649
<i>Ribble Valley</i>	5,710,120	5,710,120
<i>Lancashire County Council</i>	1,284,777	1,284,777
<i>Lancashire Combined Fire Authority</i>	142,753	142,753
Appeals Provision	400,000	460,613
Bad Debts Provision	131,566	150,000
Expenditure Subtotal - Business Rates	15,083,079	15,347,444
TOTAL EXPENDITURE	52,268,809	52,374,303
<u>Council Tax</u>		
Surplus Brought Forward	572,673	705,580
Council Tax Income	36,613,057	37,015,344
Council Tax Benefits	0	523
Income Subtotal - Council Tax	37,185,730	37,721,447

COLLECTION FUND

Collection Fund	Original 2017/18 £	Revised 2017/18 £
<u>Business Rates</u>		
Surplus Brought Forward	113,422	87,266
Net Rates Payable (before appeals)	14,969,657	15,197,267
Income Subtotal - Business Rates	15,083,079	15,284,533
TOTAL INCOME	52,268,809	53,005,980
Council Tax (Surplus)/Deficit	0	-694,588
Business Rates (Surplus)/Deficit	0	62,911
OVERALL SURPLUS FOR YEAR	0	-631,677