

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7b

meeting date: 22 JANUARY 2019  
title: ORIGINAL REVENUE BUDGET 2019/20  
submitted by: DIRECTOR OF RESOURCES  
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## 1 PURPOSE

- 1.1 To agree the draft revenue budget for 2019/20, for consideration at Special Policy and Finance Committee.

## 2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

- 2.1 In September we updated the Council's four year Budget Forecast which predicted budget gaps as follows: £101k in 2019/20, £225k in 2020/21, £426k in 2021/22.
- 2.2 2019/20 is the final year of multi-year grant settlement which we signed up to and as such we would not expect our allocations to change from those previously announced. You may recall we were anticipating negative Revenue Support Grant (RSG) for 2019/20 of £108,866.
- 2.3 In October the Government consulted on proposals to eliminate negative RSG. We were advised at the same time that the New Homes Bonus (NHB) threshold may increase from its current national level of 0.4% which would reduce the amount of NHB we would receive.
- 2.4 In addition this Council along with 14 other authorities in Lancashire submitted a bid to be a Pilot for 75% Business Rate Retention.
- 2.5 None of these potential changes were included in the September budget forecast.

## 3 2019/20 PROVISIONAL LOCAL GOVERNMENT SETTLEMENT

- 3.1 On 13 December 2018 the Government announced the provisional finance settlement. The announcement had been delayed by a week due to the BREXIT debate.
- 3.2 The headlines for Ribble Valley are:
- Negative RSG has been eliminated gaining us £109k.
  - Rural Services Delivery Grant has been increased back to the same level as 2018/19 gaining us £21k.
  - NHB threshold remains at 0.4%.

- Our Business Rates Pilot bid has been successful. How much we gain from this will depend on our actual Business Rate growth in 2019/20 but estimates suggest this could be in the region of £400k. Some of this will be set aside to fund losses and also to fund Lancashire wide strategic economic growth projects.
- The Government are returning to local authorities the levy account surplus.

3.3 The Government also announced consultations on the future of Business Rate Retention and the Fair Funding Review which may have a significant impact on our financial position beyond 2019/20. These will be considered by the Budget Working Group.

3.4 In summary the 2019/20 provisional settlement has improved the council's financial position compared with the budget forecast in September.

#### 4 BUDGET PROCESS

4.1 Presented to committee for decision in November were the proposed fees and charges for 2019/20. 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 2019/20 will also be approved.

#### 5 2019/20 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 increases at 3% 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 2019/20 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 2018/19:** 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 3% Pay and 2% Other:** The budget forecast allows for inflation on pay at 3% 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. This is the second year of a two year pay award that has already been settled.
- **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.
- **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 2019/20:** 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 2018/19 Original Estimate, to the DRAFT Original Estimate for 2019/20. 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 two service units: Legal and Democratic Services and Environmental Health. 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. Environmental Health provides commercial and domestic environmental health support and also the building control function within the area.

Previously included under this department was the Regeneration and Housing Section. This now comes under the Economic Development and Planning Department, which falls under the Planning and Development Committee.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
<b>Employee Related Expenditure</b>	1,134,100		33,770	210	-111,290			1,056,790
<b>Transport Related Expenditure</b>	26,660		530		-1,570			25,620
<b>Supplies &amp; Services</b>	41,890		830		-1,510			41,210
<b>Support Services</b>	216,520		0			-5,970		210,550
<b>Total Expenditure</b>	<b>1,419,170</b>	<b>0</b>	<b>35,130</b>	<b>210</b>	<b>-114,370</b>	<b>-5,970</b>	<b>0</b>	<b>1,334,170</b>
<b>Other Grants and Contributions</b>	-8,810		0					-8,810
<b>Departmental Recharges</b>	-1,395,200		0			83,780		-1,311,420
<b>Miscellaneous Recharges</b>	-13,830		0			450		-13,380
<b>Total Income</b>	<b>-1,419,170</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>800</b>	<b>84,230</b>	<b>0</b>	<b>-1,334,170</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>35,100</b>	<b>210</b>	<b>-113,570</b>	<b>78,260</b>	<b>0</b>	<b>0</b>

## **CEXEC: Chief Executives Department**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

Reduced salary costs due to the departmental restructure. Salaries have now been estimated based upon the Establishment List for Chief Executive's department. The reduction is in respect of the Regeneration and Housing Section moving to the Economic Development and Planning Department, which is included under the Planning and Development Committee budgets.

#### **Transport Related Expenditure**

Transport related expenditure in this area has been reduced overall by a transfers of budgets across to the economic development and planning department following the restructure undertaken in 2018/19 and also by a reduction to the anticipated spend on employee mileage following a review of claims.

#### **Supplies & Services**

A reduction due to the reallocation of some costs to the new Economic Development and Regeneration Department following the transfer of the Regeneration and Housing section.

#### **Support Services**

A reduction in recharges to the Chief Executive's department, particularly due to the impact of the restructuring.

#### **Departmental/Miscellaneous Recharges**

The decrease in net expenditure is reflected in a decrease 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.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	12,450		370	70	0			12,890
<b>Premises Related Expenditure</b>	810		20		170			1,000
<b>Transport Related Expenditure</b>	6,460		130	-90	-30			6,470
<b>Supplies &amp; Services</b>	22,000		440		-20			22,420
<b>Support Services</b>	18,500		0			150		18,650
<b>Total Expenditure</b>	<b>60,220</b>	<b>0</b>	<b>960</b>	<b>-20</b>	<b>120</b>	<b>150</b>	<b>0</b>	<b>61,430</b>
<b>Net Expenditure</b>	<b>60,220</b>	<b>0</b>	<b>960</b>	<b>-20</b>	<b>120</b>	<b>150</b>	<b>0</b>	<b>61,430</b>

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.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	11,040		310	460	50			11,860
<b>Premises Related Expenditure</b>	22,670		440	-80	-1,120			21,910
<b>Supplies &amp; Services</b>	2,160		40		-220			1,980
<b>Support Services</b>	8,760		0			170		8,930
<b>Depreciation and Impairment</b>	15,050		0				9,560	24,610
<b>Total Expenditure</b>	<b>59,680</b>	<b>0</b>	<b>790</b>	<b>380</b>	<b>-1,290</b>	<b>170</b>	<b>9,560</b>	<b>69,290</b>
<b>Customer &amp; Client Receipts</b>	-4,540		-90					-4,630
<b>Departmental Recharges</b>	-55,140		0			-9,520		-64,660
<b>Total Income</b>	<b>-59,680</b>	<b>0</b>	<b>-90</b>	<b>0</b>	<b>0</b>	<b>-9,520</b>	<b>0</b>	<b>-69,290</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>700</b>	<b>380</b>	<b>-1,290</b>	<b>-9,350</b>	<b>9,560</b>	<b>0</b>



**CIVST: Civic Suite**

**Commentary on substantial budget changes**

**Premises Related Expenditure**

Repairs and maintenance requirements for the year assessed at a corporate level allowing for prioritisation of expenditure on other areas

**Depreciation**

Increase in depreciation costs as a result of the past spend under the Civic Suite Upgrade capital scheme

**Departmental Recharges**

An overall increase to the net cost of the civic suite for the reasons detailed above increases cost of the recharge out to other service areas

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.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	51,980		1,550	4,320	910			58,760
<b>Premises Related Expenditure</b>	164,280		3,280	2,530	-4,810			165,280
<b>Supplies &amp; Services</b>	9,190		170		0			9,360
<b>Third Party Payments</b>	1,070		20					1,090
<b>Support Services</b>	22,390		0			450		22,840
<b>Depreciation and Impairment</b>	35,340		0				15,230	50,570
<b>Total Expenditure</b>	<b>284,250</b>	<b>0</b>	<b>5,020</b>	<b>6,850</b>	<b>-3,900</b>	<b>450</b>	<b>15,230</b>	<b>307,900</b>
<b>Customer &amp; Client Receipts</b>	-33,250		-670	-410	5,350			-28,980
<b>Departmental Recharges</b>	-251,000		0			-27,920		-278,920
<b>Total Income</b>	<b>-284,250</b>	<b>0</b>	<b>-670</b>	<b>-410</b>	<b>5,350</b>	<b>-27,920</b>	<b>0</b>	<b>-307,900</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>4,350</b>	<b>6,440</b>	<b>1,450</b>	<b>-27,470</b>	<b>15,230</b>	<b>0</b>

## **CLOFF: Council Offices**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

An analysis has been undertaken of employee costs to ensure budget incorporates the approved NJC pay award due to be implemented in April 2019 offset by a turnover provision of 4%. A number of roles which fall under this service will see a higher percentage increase to pay than the standard pay inflation percentage.

#### **Premises Related Expenditure**

Premises related expenditure includes estimated charges of £2.5k above the 2% standard budgeted inflation for national non domestic rates and general utilities offset by an anticipated reduction to the number of chargeable electricity units to the value of £3k included within unavoidable changes. Other unavoidable changes include a reduction to the estimated cost of premises insurance following a revaluation of the council offices which has reduced the rebuild estimate.

#### **Depreciation and Impairment**

Depreciation costs have increased as a result of recent capital schemes and also the revaluation of the premises for accounting purposes at the last year-end.

#### **Customer and Client Receipts**

Termination of the contract to utilise the main council offices for the phone mast has resulted in reduced income for 2019/20 of £7.8k which is partially offset by an increase to room rental income of £2.5k

#### **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.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Supplies &amp; Services</b>	75,650	-4,460	1,420	1,040	-2,070			71,580
<b>Support Services</b>	349,510		0			40,580		390,090
<b>Total Expenditure</b>	<b>425,160</b>	<b>-4,460</b>	<b>1,420</b>	<b>1,040</b>	<b>-2,070</b>	<b>40,580</b>	<b>0</b>	<b>461,670</b>
<b>Customer &amp; Client Receipts</b>	-85,580		0		1,880			-83,700
<b>Other Grants and Contributions</b>	-2,520		0					-2,520
<b>Total Income</b>	<b>-88,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,880</b>	<b>0</b>	<b>0</b>	<b>-86,220</b>
<b>Net Expenditure</b>	<b>337,060</b>	<b>-4,460</b>	<b>1,420</b>	<b>1,040</b>	<b>-190</b>	<b>40,580</b>	<b>0</b>	<b>375,450</b>

## **CLTAX: Council Tax**

### **Commentary on Substantial Budget Changes**

#### **Supplies and Services**

Variation to standard budgeted inflation figure is in respect of postage costs for 2019/20 which are increasing by more than inflation. Unavoidable changes are mainly a total of the following: a £5,000 increase to postage costs to build in an increase to the number of letters being issued, a -£4,550 decrease to the estimated annual cost of issuing council tax liability orders following a reduction to the statutory court fee and a reduction of -£6,810 relating to recharged bank charges, which will now remain on the FMISC cost centre as a corporate cost.

#### **Support Services**

Support service departmental recharges have been revised for 2019/20 following a review of staff time allocations and the departmental restructure increasing costs in this area. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

#### **Customer and Client Receipts**

An increase to the annual estimated value of recoverable council costs in respect of court summonses which is based on a rolling full year estimate

## 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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Premises Related Expenditure	1,660		30		1,240			2,930
Supplies & Services	74,580		1,480	1,120				77,180
Support Services	37,740		0			198,890		236,630
Depreciation and Impairment	10,230		0				-10	10,220
<b>Total Expenditure</b>	<b>124,210</b>	<b>0</b>	<b>1,510</b>	<b>1,120</b>	<b>1,240</b>	<b>198,890</b>	<b>-10</b>	<b>326,960</b>
Departmental Recharges	-124,210		0			-202,750		-326,960
<b>Total Income</b>	<b>-124,210</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-202,750</b>	<b>0</b>	<b>-326,960</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>1,510</b>	<b>1,120</b>	<b>1,240</b>	<b>-3,860</b>	<b>-10</b>	<b>0</b>
Associated Movement in Earmarked Reserves	-3,970		-80		4,050			0
<b>Net After Earmarked Reserves</b>	<b>-3,970</b>	<b>0</b>	<b>1,430</b>	<b>1,120</b>	<b>5,290</b>	<b>-3,860</b>	<b>-10</b>	<b>0</b>

## **COMPR: Computer Services**

### **Commentary on Substantial Budget Changes**

#### **Premises Related Expenditure**

An increase in insurance costs.

#### **Supplies & Services**

Increased costs above the standard inflation, largely due to increased software maintenance contracts above the standard inflation level.

#### **Support Services**

As part of the restructuring and review of departmental budgets, the staffing costs of the Computer Services team were brought under the departmental cost centre RESOR (Resources Department). As a result the new recharge in to this service area from the RESOR (Resources Department) cost centre has substantially increased, reflecting the oncosted staff costs now being brought in under Support Services.

#### **Departmental Recharges**

An increase to the net cost of the computer services section for the reasons detailed above increases the value of the recharge out to other service areas.

#### **Movement in earmarked reserves**

Removal of the requirement to use resources from earmarked reserves to support the service.

6.7 **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.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Support Services</b>	340,540		0			2,060		342,600
<b>Total Expenditure</b>	<b>340,540</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,060</b>	<b>0</b>	<b>342,600</b>
<b>Net Expenditure</b>	<b>340,540</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,060</b>	<b>0</b>	<b>342,600</b>

**CORPM: Corporate Management**  
**Commentary on Substantial Budget Changes**

**Support Services**  
 Increase in charges to this cost centre, notably from the Chief Executive's Department due to the impact of the restructuring



6.8 **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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	3,760		110	0	-20			3,850
Supplies & Services	238,660		4,760	50	-810			242,660
Support Services	207,640		0			19,120		226,760
<b>Total Expenditure</b>	<b>450,060</b>	<b>0</b>	<b>4,870</b>	<b>50</b>	<b>-830</b>	<b>19,120</b>	<b>0</b>	<b>473,270</b>
<b>Net Expenditure</b>	<b>450,060</b>	<b>0</b>	<b>4,870</b>	<b>50</b>	<b>-830</b>	<b>19,120</b>	<b>0</b>	<b>473,270</b>

**COSDM: Cost of Democracy**

**Commentary on Substantial Budget Changes**

**Support Services**

Support service departmental recharges have increased for 2019/20 following a review of staff time allocations and the departmental restructure increasing the recharge cost in this area. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

6.9 **Cost Centre and Description**

CSERV: Corporate services

Costs here relate to performance management, policy development and review, consultation and corporate communications. This includes the production of the Ribble Valley News publication.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	31,580	-930	610		150			31,410
Support Services	154,200		0			-22,380		131,820
<b>Total Expenditure</b>	<b>185,780</b>	<b>-930</b>	<b>610</b>	<b>0</b>	<b>150</b>	<b>-22,380</b>	<b>0</b>	<b>163,230</b>
<b>Net Expenditure</b>	<b>185,780</b>	<b>-930</b>	<b>610</b>	<b>0</b>	<b>150</b>	<b>-22,380</b>	<b>0</b>	<b>163,230</b>

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

Support service departmental recharges have been decreased for 2019/20 following a review of staff time allocations. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

6.10 **Cost Centre and Description**

DISTC: District Elections

Shown here are the costs of holding the local elections, being once every four years. An earmarked reserve is set aside to fund this cost. The next elections are in 2019.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	0		0		120,000			120,000
<b>Total Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120,000</b>	<b>0</b>	<b>0</b>	<b>120,000</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120,000</b>	<b>0</b>	<b>0</b>	<b>120,000</b>
Associated Movement in Earmarked Reserves	22,990		460		-113,450			-90,000
<b>Net After Earmarked Reserves</b>	<b>22,990</b>	<b>0</b>	<b>460</b>	<b>0</b>	<b>6,550</b>	<b>0</b>	<b>0</b>	<b>30,000</b>

**DISTC: District Elections**

**Commentary on Substantial Budget Changes**

**Employee Related Expenditure**

Shown here are the anticipated costs of running the district election for 2019

**Associated Movement in Earmarked Reserves**

The costs of the district elections is met from an earmarked reserve, where resources are set aside on an annual basis. Shown here is the release of £120,000 to fund the election in year, and the set aside of £30,000 in preparation for the next election in four years time.

## 6.11 Cost Centre and Description

ELADM: Election Administration

This budget is for the cost of administering elections to the council. It only covers the support service costs.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Support Services	5,370		0			19,290		24,660
<b>Total Expenditure</b>	<b>5,370</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,290</b>	<b>0</b>	<b>24,660</b>
<b>Net Expenditure</b>	<b>5,370</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,290</b>	<b>0</b>	<b>24,660</b>

**ELADM: Election Administration****Commentary on Substantial Budget Changes****Support Services**

Support service departmental recharges have been increased for OE1920 following a review of staff time allocations. The increase is largely as a result of increased time charged from the Chief Executive's department.

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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	11,030		330		-680			10,680
Supplies & Services	50,480		1,000	1,960				53,440
Support Services	45,970		0			840		46,810
<b>Total Expenditure</b>	<b>107,480</b>	<b>0</b>	<b>1,330</b>	<b>1,960</b>	<b>-680</b>	<b>840</b>	<b>0</b>	<b>110,930</b>
Customer & Client Receipts	-1,330		-30					-1,360
<b>Total Income</b>	<b>-1,330</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,360</b>
<b>Net Expenditure</b>	<b>106,150</b>	<b>0</b>	<b>1,300</b>	<b>1,960</b>	<b>-680</b>	<b>840</b>	<b>0</b>	<b>109,570</b>

**ELECT: Register of Electors**

**Commentary on Substantial Budget Changes**

**Supplies & Services**

There has been an increase to level of costs associated with postages, due to an increase in unit prices

## 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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	10,400	-450	200	-30	-2,540	-290		7,290
Third Party Payments	0		0		1,120			1,120
Support Services	53,730		0			3,070		56,800
<b>Total Expenditure</b>	<b>64,130</b>	<b>-450</b>	<b>200</b>	<b>-30</b>	<b>-1,420</b>	<b>2,780</b>	<b>0</b>	<b>65,210</b>
<b>Net Expenditure</b>	<b>64,130</b>	<b>-450</b>	<b>200</b>	<b>-30</b>	<b>-1,420</b>	<b>2,780</b>	<b>0</b>	<b>65,210</b>

**EMERG: Community Safety****Commentary on Substantial Budget Changes****Supplies and Services**

There has been a reduction to the budget for Equipment and Materials based on the pattern of spend seen over recent years and the future demands anticipated for 2019/20. Also costs relating to contributions to the Lancashire Resilience Forum have now been moved on to a separate code, which now falls under the category of Third Party Payments (see comments below - £1,120). Other reductions relate to lower telephone line costs.

**Third Party Payments**

**Costs** relating to contributions to the Lancashire Resilience Forum have now been moved on to a separate code, which now falls under this category of Third Party Payments (£1,120). This has been transferred from Supplies and Services (see comments above)

**Support Services**

Changes here largely relate to the impacts of the restructuring, but there has been a small increase in the level of time charged here from the Chief Executive's department.

## 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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Premises Related Expenditure	9,510	-30	180	40	-130			9,570
Supplies & Services	1,450		30		290			1,770
Support Services	34,690		0			-250		34,440
Depreciation and Impairment	55,090		0				11,560	66,650
<b>Total Expenditure</b>	<b>100,740</b>	<b>-30</b>	<b>210</b>	<b>40</b>	<b>160</b>	<b>-250</b>	<b>11,560</b>	<b>112,430</b>
Customer & Client Receipts	-40,430		-810	210	-1,040			-42,070
<b>Total Income</b>	<b>-40,430</b>	<b>0</b>	<b>-810</b>	<b>210</b>	<b>-1,040</b>	<b>0</b>	<b>0</b>	<b>-42,070</b>
<b>Net Expenditure</b>	<b>60,310</b>	<b>-30</b>	<b>-600</b>	<b>250</b>	<b>-880</b>	<b>-250</b>	<b>11,560</b>	<b>70,360</b>

**ESTAT: Estates****Commentary on Substantial Budget Changes****Depreciation and Impairment**

Increased depreciation charges due to the revaluation of assets, and also recent capital expenditure at Queensway Garages under the capital programme.

**Customer and Client Receipts**

Garages at Queensway have been brought back in to use following completion of a capital project to carry out repairs. This has resulted in an increased estimate for next year which is offset somewhat by reduced income in respect of ground rent, due to past freehold purchases on an ad-hoc basis.

6.15 **Cost Centre and Description** FGSUB: Grants & Subscriptions - Policy and Fin

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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	12,560		250		-930			11,880
Transfer Payments	147,360		0	2,180	530			150,070
Support Services	7,400		0			320		7,720
<b>Total Expenditure</b>	<b>167,320</b>	<b>0</b>	<b>250</b>	<b>2,180</b>	<b>-400</b>	<b>320</b>	<b>0</b>	<b>169,670</b>
<b>Net Expenditure</b>	<b>167,320</b>	<b>0</b>	<b>250</b>	<b>2,180</b>	<b>-400</b>	<b>320</b>	<b>0</b>	<b>169,670</b>

**FGSUB: Grants & Subscriptions - Policy and Fin**

**Commentary on Substantial Budget Changes**

Transfer Payments

The inclusion of inflation on a variety of grants that are distributed under this cost centre



6.16 **Cost Centre and Description**

FMISC: Policy &amp; 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.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	-32,240	-16,230	-970					-49,440
<b>Premises Related Expenditure</b>	570		20					590
<b>Supplies &amp; Services</b>	57,130	-3,010	1,080	-760	23,070			77,510
<b>Transfer Payments</b>	290		0		-290			0
<b>Support Services</b>	55,010		0			-10,250		44,760
<b>Total Expenditure</b>	<b>80,760</b>	<b>-19,240</b>	<b>130</b>	<b>-760</b>	<b>22,780</b>	<b>-10,250</b>	<b>0</b>	<b>73,420</b>
<b>Customer &amp; Client Receipts</b>	-200		0		150			-50
<b>Other Grants and Contributions</b>	-128,880	-9,200	0		108,080			-30,000
<b>Miscellaneous Recharges</b>	-13,050		0		13,050			0
<b>Total Income</b>	<b>-142,130</b>	<b>-9,200</b>	<b>0</b>	<b>0</b>	<b>121,280</b>	<b>0</b>	<b>0</b>	<b>-30,050</b>
<b>Net Expenditure</b>	<b>-61,370</b>	<b>-28,440</b>	<b>130</b>	<b>-760</b>	<b>144,060</b>	<b>-10,250</b>	<b>0</b>	<b>43,370</b>
<b>Associated Movement in Earmarked Reserves</b>	143,510		2,870	-2,160	-91,530			52,690
<b>Net After Earmarked Reserves</b>	<b>82,140</b>	<b>-28,440</b>	<b>3,000</b>	<b>-2,920</b>	<b>52,530</b>	<b>-10,250</b>	<b>0</b>	<b>96,060</b>

## **FMISC: Policy & Finance Miscellaneous**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

The saving is as a result of paying the council's employer current service pension contributions in full at the beginning of the year. The saving for 2019/20 is estimated to be £50,540 and is reflected under this budget heading.

#### **Supplies & Services**

The increased costs shown under supplies and Services is in respect of the charges incurred by the council from accepting credit and debit card payments. This charge was previously netted off the council's interest receipts, but is now shown here as part of the council's corporate banking charges.

#### **Support Services**

Support service departmental recharges have been decreased for 2019/20 following a review of staff time allocations. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

#### **Other Grants and Contributions**

Reduction in income from VAT shelter money paid by Onward Homes. This is due to a dramatically lower level of spend that falls under the VAT shelter arrangements by Symphony Homes - with a budget assumption of nil. This also impacts on the level of sums transferred to earmarked reserves as shown below. Under savings there is an additional amount shown in respect of the Lancashire Business Rates Pool and the admin charges that would be due as a result of the increased membership.

#### **Miscellaneous Recharges**

The council's bank charges were previously recharged out to other services, but will now remain under this cost centre as corporate banking charges.

#### **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 Onward 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

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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	1,910		40		1,380			3,330
Supplies & Services	13,510		270		-1,560			12,220
Support Services	85,270		0			-590		84,680
<b>Total Expenditure</b>	<b>100,690</b>	<b>0</b>	<b>310</b>	<b>0</b>	<b>-180</b>	<b>-590</b>	<b>0</b>	<b>100,230</b>
Government Grants	0		0					0
Customer & Client Receipts	-85,670	-2,940	-1,780		18,820			-71,570
<b>Total Income</b>	<b>-85,670</b>	<b>-2,940</b>	<b>-1,780</b>	<b>0</b>	<b>18,820</b>	<b>0</b>	<b>0</b>	<b>-71,570</b>
<b>Net Expenditure</b>	<b>15,020</b>	<b>-2,940</b>	<b>-1,470</b>	<b>0</b>	<b>18,640</b>	<b>-590</b>	<b>0</b>	<b>28,660</b>

## **LANDC: Land Charges**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

There has been an increase in insurance costs

#### **Supplies and Services**

The reduced costs seen here largely relates to reduced software costs

#### **Customer and Client Receipts**

There has been a sizeable reduction in income from search fees, in part from more recent national challenges to the charges that are made.

6.18 **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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	3,140		60		-340			2,860
Supplies & Services	21,940		430					22,370
Support Services	138,930		0			-9,910		129,020
<b>Total Expenditure</b>	<b>164,010</b>	<b>0</b>	<b>490</b>	<b>0</b>	<b>-340</b>	<b>-9,910</b>	<b>0</b>	<b>154,250</b>
Customer & Client Receipts	-117,820	-2,070	-2,180		450			-121,620
Other Grants and Contributions	-3,140		0			280		-2,860
<b>Total Income</b>	<b>-120,960</b>	<b>-2,070</b>	<b>-2,180</b>	<b>0</b>	<b>450</b>	<b>280</b>	<b>0</b>	<b>-124,480</b>
<b>Net Expenditure</b>	<b>43,050</b>	<b>-2,070</b>	<b>-1,690</b>	<b>0</b>	<b>110</b>	<b>-9,630</b>	<b>0</b>	<b>29,770</b>

**LICSE: Licensing**

**Commentary on Substantial Budget Changes**

**Support Services**

Support service departmental recharges have been decreased for 2019/20 following a review of staff time allocations and the departmental restructure decreasing costs in this area. As part of this there has also been a small decrease in time charged from the Chief Executive's department.

**Customer & Client Receipts**

Estimated income for licenses has been increased for the year following a review based on prior year rolling averages.

6.19 **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

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Transfer Payments</b>	13,170		260					13,430
<b>Support Services</b>	1,110		0			-20		1,090
<b>Total Expenditure</b>	<b>14,280</b>	<b>0</b>	<b>260</b>	<b>0</b>	<b>0</b>	<b>-20</b>	<b>0</b>	<b>14,520</b>
<b>Net Expenditure</b>	<b>14,280</b>	<b>0</b>	<b>260</b>	<b>0</b>	<b>0</b>	<b>-20</b>	<b>0</b>	<b>14,520</b>

## 6.20 Cost Centre and Description

NNDRC: National Non Domestic Rates

The administration and collection of national non-domestic rates

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	11,100		180		-700			10,580
Support Services	125,940		0			7,250		133,190
<b>Total Expenditure</b>	<b>137,040</b>	<b>0</b>	<b>180</b>	<b>0</b>	<b>-700</b>	<b>7,250</b>	<b>0</b>	<b>143,770</b>
Government Grants	-90,000		0					-90,000
Customer & Client Receipts	-5,030		0					-5,030
Other Grants and Contributions	-170		0					-170
<b>Total Income</b>	<b>-95,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-95,200</b>
<b>Net Expenditure</b>	<b>41,840</b>	<b>0</b>	<b>180</b>	<b>0</b>	<b>-700</b>	<b>7,250</b>	<b>0</b>	<b>48,570</b>

**Commentary on Substantial Budget Changes****Support Services**

Support service departmental recharges have been revised for 2019/20 following a review of staff time allocations and the departmental restructure increasing costs in this area. This is notably as a result of the Computer Services and Resources department recharges - and the changes to the budget structure in this area.

6.21 **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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Transfer Payments	2,650		0		-2,650			0
Support Services	780		0			-780		0
<b>Total Expenditure</b>	<b>3,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,650</b>	<b>-780</b>	<b>0</b>	<b>0</b>
<b>Net Expenditure</b>	<b>3,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,650</b>	<b>-780</b>	<b>0</b>	<b>0</b>
Associated Movement in Earmarked Reserves	-2,650		-50	50	2,650			0
<b>Net After Earmarked Reserves</b>	<b>780</b>	<b>0</b>	<b>-50</b>	<b>50</b>	<b>0</b>	<b>-780</b>	<b>0</b>	<b>0</b>

**PERFM: Performance Reward Grants**

**Commentary on Substantial Budget Changes**

**Transfer Payments**  
 The small budget that was provided here for the distribution of the residual Performance Reward Grant has been removed as there are no imminent payments due. Should any arise, these will be funded from the earmarked reserve set aside for this purpose

**Associated Movements in Earmarked Reserves**  
 This has been removed in line with the comments shown above.



## 6.22 Cost Centre and Description

RESOR: Resources Department

The Resources Department comprises three service units: Financial Services, Revenues & Benefits, and HR. 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. The Revenues and Benefits Section includes the collection of Council Tax and Business Rates, the processing of Housing and Council Tax Benefit and dealing with first point of contact for a range of council services and functions through the Contact Centre and also the Cash Office. the HR Section includes HR, Corporate policy, Communications, Health and Safety, Printing and Typing.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	1,813,100		53,740	350	18,640			1,885,830
Transport Related Expenditure	25,590		510		-2,360			23,740
Supplies & Services	135,060		2,670	3,790	1,150			142,670
Support Services	136,340		0			73,170		209,510
<b>Total Expenditure</b>	<b>2,123,260</b>	<b>0</b>	<b>56,920</b>	<b>4,140</b>	<b>17,430</b>	<b>73,170</b>	<b>13,040</b>	<b>2,287,960</b>
Customer & Client Receipts	-5,020		-100					-5,120
Other Grants and Contributions	-20		0					-20
Departmental Recharges	-2,118,220		0			-164,600		-2,282,820
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>56,820</b>	<b>4,140</b>	<b>17,430</b>	<b>-91,430</b>	<b>13,040</b>	<b>0</b>

## **RESOR: Resources Department**

### **Commentary on Substantial Budget Changes**

#### **Employee Related Expenditure**

An analysis has been undertaken of employee costs to incorporate the approved NJC pay award due to be implemented in April 2019 less a staff turnover provision of 4%

#### **Transport Related Expenditure**

Reduction of estimated spend on mileage allowances following review at revised estimate (£1,630) plus reduction of estimated vehicle insurance costs next year of £730

#### **Supplies and Services**

The variation to standard budgeted inflation figure is for above inflationary charges from software companies for maintenance costs. Unavoidable changes include growth for increases to software maintenance costs for double layer security when resetting passwords on the ICON system (£1,980) and for the revenue implications of an approved capital scheme to upgrade the council's financial system to the web version as approved by P&F Committee in November 2017 (£2,860). There are also unavoidable costs in respect of increases to enterprise licenses, also approved by P&F Committee in November 2017 (£1,430). Increases have been offset by a reduction to the cost of charges which were previously charged to this cost centre, but which now remain under FMISC (-£5,830)

#### **Support Services**

An increase due to the reallocation of some costs and also the changes to the budget structure for Computer Services and resources Department, with staffing for Computer Services now falling under this cost centre before being charged to the COMPR cost centre, and then further oncosted and charged out to other services (including RESOR - Resources Department). The increase largely relates to the Computer Services recharge.

#### **Departmental Recharges**

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

6.23 **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 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	6,570		200					6,770
Third Party Payments	91,030		1,820		-610			92,240
<b>Total Expenditure</b>	<b>97,600</b>	<b>0</b>	<b>2,020</b>	<b>0</b>	<b>-610</b>	<b>0</b>	<b>0</b>	<b>99,010</b>
<b>Net Expenditure</b>	<b>97,600</b>	<b>0</b>	<b>2,020</b>	<b>0</b>	<b>-610</b>	<b>0</b>	<b>0</b>	<b>99,010</b>

**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)**

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
CEXEC: Chief Executives Department	0		35,100	210	-113,570	78,260		0
CIVCF: Civic Functions	60,220		960	-20	120	150		61,430
CIVST: Civic Suite	0		700	380	-1,290	-9,350	9,560	0
CLOFF: Council Offices	0		4,350	6,440	1,450	-27,470	15,230	0
CLTAX: Council Tax	337,060	-4,460	1,420	1,040	-190	40,580		375,450
COMPR: Computer Services	0		1,510	1,120	1,240	-3,860	-10	0
CORPM: Corporate Management	340,540		0			2,060		342,600
COSDM: Cost of Democracy	450,060		4,870	50	-830	19,120		473,270
CSERV: Corporate services	185,780	-930	610		150	-22,380		163,230

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

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
DISTC: District Elections	0		0		120,000			120,000
ELADM: Election Administration	5,370		0			19,290		24,660
ELECT: Register of Electors	106,150		1,300	1,960	-680	840		109,570
EMERG: Community Safety	64,130	-450	200	-30	-1,420	2,780		65,210
ESTAT: Estates	60,310	-30	-600	250	-880	-250	11,560	70,360
FGSUB: Grants & Subscriptions Policy and Fin	167,320		250	2,180	-400	320		169,670
FMISC: Policy & Finance Miscellaneous	-61,370	-28,440	130	-760	144,060	-10,250		43,370
LANDC: Land Charges	15,020	-2,940	-1,470		18,640	-590		28,660
LICSE: Licensing	43,050	-2,070	-1,690		110	-9,630		29,770
LUNCH: Luncheon Clubs	14,280		260			-20		14,520

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

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
NNDRC: National Non Domestic Rates	41,840		180		-700	7,250		48,570
PERFM: Performance Reward Grants	3,430		0		-2,650	-780		0
RESOR: Resources Department	0		56,820	4,140	17,430	-91,430	13,040	0
SUPDF: Superannuation Deficiency Payments	97,600		2,020		-610			99,010
<b>Grand Total</b>	<b>1,930,790</b>	<b>-39,320</b>	<b>106,920</b>	<b>16,960</b>	<b>179,980</b>	<b>-5,360</b>	<b>49,380</b>	<b>2,239,350</b>
<b>Associated Movement in Earmarked Reserves</b>	159,880		3,200	-2,110	-198,280			-37,310
<b>Net After Earmarked Reserves</b>	<b>2,090,670</b>	<b>-39,320</b>	<b>110,120</b>	<b>14,850</b>	<b>-18,300</b>	<b>-5,360</b>	<b>49,380</b>	<b>2,202,040</b>

**b) Type of Expenditure/Income (Subjective)**

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	3,016,840	-16,230	89,510	5,410	28,650			3,124,180
<b>Premises Related Expenditure</b>	199,500	-30	3,970	2,490	-4,650			201,280
<b>Transport Related Expenditure</b>	58,710		1,170	-90	-3,960			55,830
<b>Supplies &amp; Services</b>	809,340	-8,850	15,860	7,170	14,300	-290		837,530
<b>Third Party Payments</b>	92,100		1,840		510			94,450
<b>Transfer Payments</b>	163,470		260	2,180	-2,410			163,500
<b>Support Services</b>	2,046,340		0			315,210		2,361,550
<b>Depreciation and Impairment</b>	128,880		0				49,380	178,260
<b>Total Expenditure</b>	<b>6,515,180</b>	<b>-25,110</b>	<b>112,610</b>	<b>17,160</b>	<b>32,440</b>	<b>314,920</b>	<b>49,380</b>	<b>7,016,580</b>
<b>Government Grants</b>	-90,000		0					-90,000
<b>Other Grants and Contributions</b>	-143,540	-9,200	0		108,080	280		-44,380
<b>Customer &amp; Client Receipts</b>	-380,200	-5,010	-5,690	-200	26,410			-364,690
<b>Departmental Recharges</b>	-3,943,770		0			-321,010		-4,264,780
<b>Miscellaneous Recharges</b>	-26,880		0		13,050	450		-13,380
<b>Total Income</b>	<b>-4,584,390</b>	<b>-14,210</b>	<b>-5,690</b>	<b>-200</b>	<b>147,540</b>	<b>-320,280</b>	<b>0</b>	<b>-4,777,230</b>
<b>Net Expenditure</b>	<b>1,930,790</b>	<b>-39,320</b>	<b>106,920</b>	<b>16,960</b>	<b>179,980</b>	<b>-5,360</b>	<b>49,380</b>	<b>2,239,350</b>
<b>Associated Movement in Earmarked Reserves</b>	159,880		3,200	-2,110	-198,280			-37,310
<b>Net After Earmarked Reserves</b>	<b>2,090,670</b>	<b>-39,320</b>	<b>110,120</b>	<b>14,850</b>	<b>-18,300</b>	<b>-5,360</b>	<b>49,380</b>	<b>2,202,040</b>

## 8 EARMARKED RESERVES

- 8.1 In the Original Estimate for 2018/19 this committee planned to add £159,880 to earmarked reserves to support its expenditure in future years. Looking forward to 2019/20, the proposal included in the estimates is that this committee take £37,310 from earmarked reserves.
- 8.2 The table below provides a summary of the DRAFT Original Estimate for 2019/20 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.

	<b>DRAFT Original Estimate 2019/20</b>	<b>Reason for Movement on Earmarked Reserve</b>
<b>Committee Net Cost of Services</b>	<b>2,239,350</b>	
FNBAL/H288 Superannuation Adjustment Reserve	50,540	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 2019/20.
FNBAL/H230 Election Fund	-90,000	Reserve established from monies set aside on an annual basis to smooth out the cost of local elections.  Shown here is the release of £120,000 to fund the election in year, and the set aside of £30,000 in preparation for the next election in four years time.
FNBAL/H269 Revaluation Reserve	2,150	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 2019/20
<b>Committee Net Cost of Services after Movements on Earmarked Reserves</b>	<b>2,202,040</b>	



9 KEY VARIATIONS

9.1 The net expenditure for this committee has increased by £111,370 after allowing for associated movements on earmarked reserves. The main reasons for this net increase are summarised in the table below.

Description	Variance Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
<p><b>CEXEC: Chief Executives Department</b> Reduced salary costs due to the departmental restructure. Salaries have now been estimated based upon the Establishment List for Chief Executive's department. The reduction is in respect of the Regeneration and Housing Section moving to the Economic Development and Planning Department, which is included under the Planning and Development Committee budgets.</p>	-111,290
<p><b>DISTC: District Elections</b> Included in 2019/20 are the costs of holding the local elections, being once every four years. An earmarked reserve is set aside to fund this cost. The amount shown here is the anticipated costs of running the district elections for 2019</p>	120,000
<p><b>FMISC: Finance Miscellaneous</b> There are increased costs shown under this cost centre in respect of the charges incurred by the council from accepting credit and debit card payments. This charge was previously netted off the council's interest receipts, but is now shown here as part of the council's corporate banking charges.</p>	21,930
<p><b>FMISC: Finance Miscellaneous</b> Saving is as a result of paying the council's employer current service pension contributions in full at the beginning of the year. The saving for 2019/20 is estimated to be a total of £50,540 and is reflected under this budget heading.</p>	-16,230
<p><b>FMISC: Finance Miscellaneous</b> Reduction in income from VAT shelter money paid by Onward Homes. This is due to a dramatically lower level of spend that falls under the VAT shelter arrangements by Symphony Homes - with a budget assumption of nil. This also impacts on the level of sums transferred to earmarked reserves as shown below.</p>	108,080
<p><b>FMISC: Finance Miscellaneous</b> Under savings there is an additional amount shown in respect of the Lancashire Business Rates Pool and the admin charges that would be due as a result of the increased membership.</p>	-9,200

Description	Variance Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
<p><b>FMISC: Finance Miscellaneous</b> The council's bank charges were previously recharged out to other services/committees, but will now remain under this cost centre as corporate banking charges. Therefore they show as an increase in costs under this cost centre</p>	13,050
<p><b>LANDC: Land Charges</b> There has been a sizeable reduction in income from search fees, in part from more recent national challenges to the charges that are made. This is partially offset by some additional income under the Freedom of Information Act which is now shown under this service.</p>	15,880
<p><b>RESOR: Resources Department</b> Increased staffing costs due to the implications of the new NJC pay award due to be implemented in April 2019. This is over and above the standard rate of inflation allowed for in pay.</p>	18,640
<p><b>Inflation</b> Provision for inflationary increases</p>	124,970
<p><b>Depreciation and Impairment</b> Movements in Capital charges</p>	49,380

## 10 RISK ASSESSMENT

### 10.1 The approval of this report may have the following implications

- Resources: approval of the original budget for 2019/20 would see an increase in net expenditure of £308,560 compared with the original budget for 2018/19 or an increase of £111,370 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 2019/20 and submit this to the Special Policy and Finance Committee.

TEMPORARY SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF3-19/VT/AC  
10 January 2019

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None