

meeting date: 5 MARCH 2019
title: REVENUE BUDGET 2019/20 AND CAPITAL PROGRAMME 2019/20 –
2023/24 AND SETTING THE COUNCIL TAX FOR EACH CATEGORY OF
DWELLING IN THE COUNCIL'S AREA FOR 2019/20
submitted by: DIRECTOR OF RESOURCES
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1. PURPOSE

- 1.1. To set the budget for 2019/20 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 5 February 2019, Policy and Finance Committee considered the revised capital programme for 2018/19 and also a five year capital programme for the years 2019/20 to 2023/24.
- 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 2018/19 totalling £1,965,100 and a capital programme for the years 2019/20 to 2023/24 totalling £8,123,530 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

2018/19 Revised

- 5.1. We originally budgeted to spend £5.104 million (before use of balances). The revised estimate is that net expenditure will be lower at £4.987 million. Details are shown in Annex 3. The revised budget in summary for 2018/19 is:

	Revised Estimate 2018/19 £000
Net Committee Budget	7,548
Capital Adjustments	
Less Depreciation (included in above)	-929
Add Minimum Revenue Provision (MRP)	130
Total Expenditure	6,749
Other Items	
External Interest Payable	7
Interest Earned	-83
Rural Services Delivery Grant	-108
New Homes Bonus	-1,576
Income from Business Rates	-1,341
Earmarked Reserves	
Transfer From/To Various Funds	1,339
Net Expenditure	4,987
Adjustment to Balances to Get to Agreed Budget	-54
Agreed budget for year	4,933

5.2. We estimate this will leave general fund balances at 31 March 2019 of £2.479m.

Local Government Grant Settlement

5.3. The Provisional Grant Settlement was announced on 13 December 2018. A full report detailing the provisional settlement was submitted to the special Policy and Finance Committee meeting on 5 February 2019. The Final Settlement was announced on the same date and an update was provided to the meeting.

Final Settlement Funding Assessment	£1.440600m
Consists of:	
Revenue Support Grant	*0
Business Rates Baseline (Target)	1.440600m
Tariff	-6.176090m
Rural Services Delivery Grant	*0.107921m
New Homes Bonus Allocation	1.666486m

* Revenue Support Grant and Rural Services Delivery Grant rolled-in to business rates baseline funding level

Forecast Budget 2019/20

5.4. Policy and Finance Committee have recommended a net budget of £4,999,384. Details are shown in Annex 3. This results in the following budget requirement:

	£
Borough Requirement	4,999,384
Parish Council Requirements	450,764
Total Borough and Parish Requirements	5,450,148

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 2019/20. 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 2018	2,533
Estimated Amount to be taken from Balances in 2018/19	-54
Estimated Balances in Hand 31 March 2019	2,479
Estimated Amount to be taken from Balances in 2019/20	-94
Estimated Balances in Hand 31 March 2020	2,385

- 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 2019/20 we estimate that £93,896 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 2018/19 and 2019/20 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 2019 of £618,752 and a surplus of £560,526 for Business Rates. The equivalent shares of these surpluses will be paid to the appropriate authorities in 2019/20.

8. RECOMMENDED THAT COUNCIL

- 8.1. Approve the following submitted by the Policy and Finance Committee:
- a) The revised revenue estimates for 2018/19 and the revenue estimates for 2019/20.
 - b) The revised capital programme for 2018/19 and the five year capital programme for 2019/20 to 2023/24.
- 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 2019/20, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), as its council tax base for the year.
- a) 23,209 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
Aighton, Bailey & Chaigley	442
Balderstone	198
Barrow	484
Bashall Eaves, Great Mitton & Little Mitton	203
Billington & Langho	2,141
Bolton by Bowland, Gisburn Forest & Sawley	493
Bowland Forest (High)	73
Bowland Forest (Low)	79

Parish Area	Tax base
Bowland with Leagram	80
Chatburn	379
Chipping	490
Clayton le Dale	514
Clitheroe	5,372
Dinckley	47
Downham	49
Dutton	106
Gisburn	218
Grindleton	362
Horton	46
Hothersall	69
Longridge	2,804
Mearley	9
Mellor	995
Newsholme	18
Newton	142
Osbaldeston	110
Paythorne	45
Pendleton	106
Ramsgreave	280
Read	562
Ribchester	658
Rimington & Middop	242
Sabden	521
Salesbury	191
Simonstone	496
Slaidburn & Easington	148
Thornley with Wheatley	169
Twiston	37
Waddington	454
West Bradford	368
Whalley	1,699
Wilpshire	1,082
Wiswell	183
Worston	45
	23,209

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 2019/20 (excluding Parish precepts) is £3,497,364.

- 8.5. Calculate the following amounts for 2019/20, in accordance with Sections 31 to 36 of the Act:

- a) £28,418,651 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) £24,470,523 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c) £3,948,128 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) £170.11 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) £450,764 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	162.79
Balderstone	163.32
Barrow	173.69
Bashall Eaves, Great Mitton & Little Mitton	158.69
Billington & Langho	160.64
Bolton by Bowland, Gisburn Forest & Sawley	187.55
Bowland Forest Higher	180.37
Bowland Forest Lower	165.88
Bowland with Leagram	160.82
Chatburn	180.70
Chipping	167.59
Clayton le Dale	156.53
Clitheroe	171.85
Dinckley	150.69

Parts of the Council's area	£
Downham	150.69
Dutton	155.41
Gisburn	174.89
Grindleton	171.41
Horton	150.69
Hothersall	165.18
Longridge	176.75
Mearley	150.69
Mellor	168.95
Newsholme	150.69
Newton	168.30
Osbaldeston	159.78
Paythorne	150.69
Pendleton	160.12
Ramsgreave	159.62
Read	168.14
Ribchester	162.58
Rimington & Middop	177.55
Sabden	180.29
Salesbury	175.82
Simonstone	167.63
Slaidburn & Easington	164.54
Thornley with Wheatley	159.57
Twiston	150.69
Waddington	180.43
West Bradford	170.06
Whalley	172.41
Wilpshire	167.71
Wiswell	180.41
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
	£	£	£	£	£	£	£	£
Aighton, Bailey & Chaigley	108.53	126.61	144.71	162.79	198.97	235.14	271.32	325.58
Balderstone	108.88	127.02	145.18	163.32	199.62	235.90	272.20	326.64
Barrow	115.79	135.09	154.39	173.69	212.29	250.88	289.48	347.38
Bashall Eaves, Great Mitton & Little Mitton	105.79	123.42	141.06	158.69	193.96	229.22	264.48	317.38
Billington & Langho	107.09	124.94	142.79	160.64	196.34	232.03	267.73	321.28
Bolton by Bowland, Gisburn Forest & Sawley	125.03	145.87	166.71	187.55	229.23	270.90	312.58	375.10
Bowland Forest Higher	120.25	140.28	160.33	180.37	220.46	260.53	300.62	360.74
Bowland Forest Lower	110.59	129.01	147.45	165.88	202.75	239.60	276.47	331.76
Bowland with Leagram	107.21	125.08	142.95	160.82	196.56	232.29	268.03	321.64
Chatburn	120.47	140.54	160.63	180.70	220.86	261.01	301.17	361.40
Chipping	111.73	130.34	148.97	167.59	204.84	242.07	279.32	335.18
Clayton le Dale	104.35	121.74	139.14	156.53	191.32	226.10	260.88	313.06
Clitheroe	114.57	133.66	152.76	171.85	210.04	248.22	286.42	343.70
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	103.61	120.87	138.15	155.41	189.95	224.48	259.02	310.82
Gisburn	116.59	136.02	155.46	174.89	213.76	252.62	291.48	349.78
Grindleton	114.27	133.32	152.37	171.41	209.50	247.59	285.68	342.82
Horton	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Hothersall	110.12	128.47	146.83	165.18	201.89	238.59	275.30	330.36
Longridge	117.83	137.47	157.11	176.75	216.03	255.30	294.58	353.50
Mearley	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Mellor	112.63	131.40	150.18	168.95	206.50	244.04	281.58	337.90
Newsholme	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Newton	112.20	130.90	149.60	168.30	205.70	243.10	280.50	336.60
Osbaldeston	106.52	124.27	142.03	159.78	195.29	230.79	266.30	319.56
Paythorne	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Pendleton	106.75	124.53	142.33	160.12	195.71	231.28	266.87	320.24
Ramsgreave	106.41	124.15	141.89	159.62	195.09	230.56	266.03	319.24
Read	112.09	130.77	149.46	168.14	205.51	242.87	280.23	336.28
Ribchester	108.39	126.45	144.52	162.58	198.71	234.83	270.97	325.16
Rimington & Middop	118.37	138.09	157.83	177.55	217.01	256.46	295.92	355.10
Sabden	120.19	140.22	160.26	180.29	220.36	260.42	300.48	360.58
Salesbury	117.21	136.75	156.29	175.82	214.89	253.96	293.03	351.64
Simonstone	111.75	130.38	149.01	167.63	204.88	242.13	279.38	335.26
Slaidburn & Easington	109.69	127.97	146.26	164.54	201.11	237.67	274.23	329.08

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Thornley with Wheatley	106.38	124.11	141.84	159.57	195.03	230.49	265.95	319.14
Twiston	100.46	117.20	133.95	150.69	184.18	217.66	251.15	301.38
Waddington	120.29	140.33	160.39	180.43	220.53	260.62	300.72	360.86
West Bradford	113.37	132.27	151.17	170.06	207.85	245.64	283.43	340.12
Whalley	114.94	134.09	153.26	172.41	210.73	249.03	287.35	344.82
Wilpshire	111.81	130.44	149.08	167.71	204.98	242.24	279.52	335.42
Wiswell	120.27	140.32	160.37	180.41	220.50	260.59	300.68	360.82
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 2019/20 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 £	
897.73	1,047.35	1,196.97	1,346.59	1,645.83	1,945.07	2,244.32	2,693.18	

- 8.7. Note, that for 2019/20 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 £	
134.30	156.68	179.07	201.45	246.22	290.98	335.75	402.90	

- 8.8. Note, that for 2019/20 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								
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A £	B £	C £	D £	E £	F £	G £	H £
46.32	54.04	61.76	69.48	84.92	100.36	115.80	138.96

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 2019/20 for each of the categories of dwellings shown below:

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Aighton, Bailey & Chaigley	1,186.88	1,384.68	1,582.51	1,780.31	2,175.94	2,571.55	2,967.19	3,560.62
Balderstone	1,187.23	1,385.09	1,582.98	1,780.84	2,176.59	2,572.31	2,968.07	3,561.68
Barrow	1,194.14	1,393.16	1,592.19	1,791.21	2,189.26	2,587.29	2,985.35	3,582.42
Bashall Eaves, Great Mitton & Little Mitton	1,184.14	1,381.49	1,578.86	1,776.21	2,170.93	2,565.63	2,960.35	3,552.42
Billington & Langho	1,185.44	1,383.01	1,580.59	1,778.16	2,173.31	2,568.44	2,963.60	3,556.32
Bolton by Bowland, Gisburn Forest & Sawley	1,203.38	1,403.94	1,604.51	1,805.07	2,206.20	2,607.31	3,008.45	3,610.14
Bowland Forest (High)	1,198.60	1,398.35	1,598.13	1,797.89	2,197.43	2,596.94	2,996.49	3,595.78
Bowland Forest (Low)	1,188.94	1,387.08	1,585.25	1,783.40	2,179.72	2,576.01	2,972.34	3,566.80
Bowland with Leagram	1,185.56	1,383.15	1,580.75	1,778.34	2,173.53	2,568.70	2,963.90	3,556.68
Chatburn	1,198.82	1,398.61	1,598.43	1,798.22	2,197.83	2,597.42	2,997.04	3,596.44
Chipping	1,190.08	1,388.41	1,586.77	1,785.11	2,181.81	2,578.48	2,975.19	3,570.22
Clayton le Dale	1,182.70	1,379.81	1,576.94	1,774.05	2,168.29	2,562.51	2,956.75	3,548.10
Clitheroe	1,192.92	1,391.73	1,590.56	1,789.37	2,187.01	2,584.63	2,982.29	3,578.74
Dinckley	1,178.81	1,375.27	1,571.75	1,768.21	2,161.15	2,554.07	2,947.02	3,536.42
Downham	1,178.81	1,375.27	1,571.75	1,768.21	2,161.15	2,554.07	2,947.02	3,536.42
Dutton	1,181.96	1,378.94	1,575.95	1,772.93	2,166.92	2,560.89	2,954.89	3,545.86
Gisburn	1,194.94	1,394.09	1,593.26	1,792.41	2,190.73	2,589.03	2,987.35	3,584.82
Grindleton	1,192.62	1,391.39	1,590.17	1,788.93	2,186.47	2,584.00	2,981.55	3,577.86
Horton	1,178.81	1,375.27	1,571.75	1,768.21	2,161.15	2,554.07	2,947.02	3,536.42
Hothersall	1,188.47	1,386.54	1,584.63	1,782.70	2,178.86	2,575.00	2,971.17	3,565.40
Longridge	1,196.18	1,395.54	1,594.91	1,794.27	2,193.00	2,591.71	2,990.45	3,588.54
Mearley	1,178.81	1,375.27	1,571.75	1,768.21	2,161.15	2,554.07	2,947.02	3,536.42
Mellor	1,190.98	1,389.47	1,587.98	1,786.47	2,183.47	2,580.45	2,977.45	3,572.94
Newsholme	1,178.81	1,375.27	1,571.75	1,768.21	2,161.15	2,554.07	2,947.02	3,536.42
Newton	1,190.55	1,388.97	1,587.40	1,785.82	2,182.67	2,579.51	2,976.37	3,571.64

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Osbaldeston	1,184.87	1,382.34	1,579.83	1,777.30	2,172.26	2,567.20	2,962.17	3,554.60
Paythorne	1,178.81	1,375.27	1,571.75	1,768.21	2,161.15	2,554.07	2,947.02	3,536.42
Pendleton	1,185.10	1,382.60	1,580.13	1,777.64	2,172.68	2,567.69	2,962.74	3,555.28
Ramsgreave	1,184.76	1,382.22	1,579.69	1,777.14	2,172.06	2,566.97	2,961.90	3,554.28
Read	1,190.44	1,388.84	1,587.26	1,785.66	2,182.48	2,579.28	2,976.10	3,571.32
Ribchester	1,186.74	1,384.52	1,582.32	1,780.10	2,175.68	2,571.24	2,966.84	3,560.20
Rimington & Middop	1,196.72	1,396.16	1,595.63	1,795.07	2,193.98	2,592.87	2,991.79	3,590.14
Sabden	1,198.54	1,398.29	1,598.06	1,797.81	2,197.33	2,596.83	2,996.35	3,595.62
Salesbury	1,195.56	1,394.82	1,594.09	1,793.34	2,191.86	2,590.37	2,988.90	3,586.68
Simonstone	1,190.10	1,388.45	1,586.81	1,785.15	2,181.85	2,578.54	2,975.25	3,570.30
Slaidburn & Easington	1,188.04	1,386.04	1,584.06	1,782.06	2,178.08	2,574.08	2,970.10	3,564.12
Thornley with Wheatley	1,184.73	1,382.18	1,579.64	1,777.09	2,172.00	2,566.90	2,961.82	3,554.18
Twiston	1,178.81	1,375.27	1,571.75	1,768.21	2,161.15	2,554.07	2,947.02	3,536.42
Waddington	1,198.64	1,398.40	1,598.19	1,797.95	2,197.50	2,597.03	2,996.59	3,595.90
West Bradford	1,191.72	1,390.34	1,588.97	1,787.58	2,184.82	2,582.05	2,979.30	3,575.16
Whalley	1,193.29	1,392.16	1,591.06	1,789.93	2,187.70	2,585.44	2,983.22	3,579.86
Wilpshire	1,190.16	1,388.51	1,586.88	1,785.23	2,181.95	2,578.65	2,975.39	3,570.46
Wiswell	1,198.62	1,398.39	1,598.17	1,797.93	2,197.47	2,597.00	2,996.55	3,595.86
Worston	1,178.81	1,375.27	1,571.75	1,768.21	2,161.15	2,554.07	2,947.02	3,536.42

DIRECTOR OF RESOURCES

JP2-19/AC
25 FEBRUARY 2019

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

- Capital expenditure is a significant source of risk and uncertainty since cost variations, slippage, acceleration of major projects or changing specifications are often a feature of large or complex capital programmes. Capital investment also carries risk in relation to the availability of capital finance from capital receipts, grants and external contributions.

As part of this indicator, we will undertake regular monitoring of the capital programme throughout the financial year and report progress and any variations to the relevant service committees and Policy and Finance Committee

The actual capital expenditure that was incurred in 2017/18 is shown alongside the current and future years that are recommended for approval:

Capital Expenditure					
Committee	Actual Capital Expenditure for 2017/18 £	Forecast Capital Expenditure for 2018/19 £	Forecast Capital Expenditure for 2019/20 £	Forecast Capital Expenditure for 2020/21 £	Forecast Capital Expenditure for 2021/22 £
Community Services Committee	353,871	781,930	1,912,440	1,863,440	282,000
Economic Development Committee	0	100,000	20,000	0	0
Health and Housing Committee	297,258	891,240	545,000	383,500	383,500
Planning and Development Committee	0	30,200	14,500	0	0
Policy and Finance Committee	72,272	161,730	196,250	0	0
Total	723,401	1,965,100	2,688,190	2,246,940	665,500

PRUDENTIAL CODE

FINANCING COSTS

2. The calculation of Financing Costs for the purposes of the Prudential Code includes those items included under the Financing and Investment Income and Expenditure section of the council's Comprehensive Income and Expenditure Statement in the Statement of Accounts – but excluding pension interest costs and any gain or loss on trading accounts.

For this council, this includes the interest we pay on our borrowing, interest we receive on our investments and also the Minimum Revenue Provision (MRP), being the means by which capital expenditure financed by borrowing or credit arrangements is paid for by council tax payers.

The table below summarises our net financing costs that were shown in the statement of accounts for the 2017/18 financial year, and those forecast for the current and future years.

Financing Costs				
2017/18 Actual £	Forecast for 2018/19 £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £
118,646	53,873	32,589	48,675	70,455

NET REVENUE STREAM

3. The calculation of the Net Revenue Stream for the purposes of the Prudential Code includes those items included under the Taxation and non-Specific Grant Income section of the council's Comprehensive Income and Expenditure Statement in the Annual Statement of Accounts, but excludes capital receipts and capital grants.

Net Revenue Stream				
2017/18 Actual £	Forecast for 2018/19 £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £
8,406,824	8,393,498	9,452,639	9,346,549	9,529,136

PRUDENTIAL CODE

FINANCING COSTS TO NET REVENUE STREAM

4. Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2017/18 are shown in the table below. This indicator uses the Financing Costs calculated above as a percentage of Net Revenue Streams, also calculated above.

It should be noted that the calculation of these indicators relies heavily on the forecast of future financial support from the government. As members will be aware there is a substantial amount of uncertainty in this respect past the 2019/20 financial year, and with regard to most elements of local government finance.

Financing Costs to Net Revenue Stream				
2017/18 Actual	Forecast for 2018/19	Forecast for 2019/20	Forecast for 2020/21	Forecast for 2021/22
1.4%	0.6%	0.3%	0.5%	0.7%

As would be expected due to our low level of external borrowing, the percentage of financing costs to net revenue stream is relatively low.

The fall in percentage from 2017/18 onwards reflects the increases being seen in the level of interest received on investments, and the forecast increases in interest rates, which have been allowed for here on a prudent basis.

CAPITAL FINANCING REQUIREMENT

5. The capital financing requirement measures the council's underlying need to borrow for a capital purpose, although this borrowing may not necessarily take place externally.

In accordance with best professional practice, the Council does not associate borrowing with particular items or types of expenditure. The council 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.

PRUDENTIAL CODE

Capital Financing Requirement				
2017/18 Actual £'000	Forecast for 2018/19 £'000	Forecast for 2019/20 £'000	Forecast for 2020/21 £'000	Forecast for 2021/22 £'000
3,487	3,393	3,442	4,554	4,414

EXTERNAL DEBT

6. In respect of the Capital Financing Requirement, the level of external debt is a consequence of a treasury management decision about the level of external borrowing.

The inclusion of total external debt in the Prudential Code means that it covers all borrowing whether this is for capital or revenue. This is mainly due to the fact that our daily treasury management activities make no distinction between revenue and capital cash. External borrowing occurs as a result of all of a council's transactions, not just those arising from the capital programme.

External Debt					
	2017/18 Actual £	Forecast for 2018/19 £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £
PWLB Borrowing	146,770	136,377	125,983	115,590	105,197

GROSS DEBT AND CAPITAL FINANCING REQUIREMENT

7. The Prudential Code states that in order to ensure that over the medium term, debt will only be for a capital purpose, the council should ensure that debt doesn't, 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 council had no difficulty meeting this requirement in 2017/18, nor are any difficulties envisaged for 2018/19 or the next three years. This view takes into account current commitments, existing plans and the proposals in the Council's budget report.

PRUDENTIAL CODE

THE AUTHORISED LIMIT

8. The authorised limit, like all the other prudential indicators, has to be approved and revised by full council. It should not be set so high that it would never in any possible circumstances be breached. It should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable.

Any unanticipated revision to the council's authorised limit would be a most exceptional event that would trigger a review of all the prudential indicators. The authorised limit is set to establish the outer boundary of the council's borrowing based on a realistic assessment of the risks. The authorised limit is certainly not a limit up to which the council expects to borrow on a regular basis.

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**.

Factored in to the setting of the authorised limit is the council's role as the lead authority of the Lancashire Business Rates Pool.

The limit separately identifies 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 council. Any such changes made will be reported to the Council at its next meeting following the change.

Authorised Limit for External Debt			
	2019/20 £'000	2020/21 £'000	2021/22 £'000
Borrowing	19,935	20,977	20,766
Other Long-Term Liabilities	0	0	0
Total	19,935	20,977	20,766

THE OPERATIONAL BOUNDARY

9. This indicator focuses on the day-to-day treasury management activity within the council. It is a way in which the council manages its external debt to ensure that it remains within the self-imposed Authorised Limit.

The Operational boundary is based on expectations of the maximum external debt of the council according to probable events.

PRUDENTIAL CODE

The Council is asked to approve the operational boundary for external debt. 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 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.

Operational Boundary for External Debt			
	2019/20 £'000	2020/21 £'000	2021/22 £'000
Borrowing	1,685	2,727	2,517
Other Long Term Liabilities	0	0	0
Total	1,685	2,727	2,517

MINIMUM REVENUE PROVISION

10. 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).

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 2019/20 – 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
COMMUNITY SERVICES COMMITTEE SCHEMES						
Play Area Improvements	40,000	40,000	40,000	45,000	45,000	210,000
Replacement of Refuse Wheelie Bins	10,000	10,000	10,000	10,000	11,000	51,000
Replacement of 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
Replacement Gang Mower (rvbc009)	30,000					30,000
Replacement Mini Tractor with Bucket for PN05 BY5	22,000					22,000
Replacement of JCB Gravemaster Digger (rvbc005)	29,000					29,000
Automatic Access Barrier - Edisford River Bank	14,000					14,000
Roefield Artificial Grass Pitch Proposal	1,430,440					1,430,440
Castle Keep Lime Repointing Works and Repairs (Subject to External Funding)		311,320				311,320
Installation of a Second Parking Deck on Chester Avenue Car Park		1,230,000				1,230,000
Replacement of Refuse Collection Vehicle VN12 KYK		232,000				232,000
Replacement of Pickup Ford Ranger PK60 HKN		20,120				20,120
Replacement High Top Transit Van for PJ63 WUC		20,000				20,000

FIVE YEAR CAPITAL PROGRAMME 2019/20 – 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Replacement of Refuse Collection Vehicle VU62 HXK			232,000			232,000
Replacement of Refuse 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
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
Roof Renewal and Upgrade to Parks Store Building in Castle Grounds					65,300	65,300
Refurbishment of Bowling Green Café in Castle Grounds					48,000	48,000
Longridge Depot 'Ambulance' Shed Refurbishment					42,900	42,900
Replacement of Refuse Collection Vehicle PK63 JZP					249,000	249,000

FIVE YEAR CAPITAL PROGRAMME 2019/20 – 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Replacement of Concrete Bays to Rear of Depot					25,600	25,600
Replacement Kubota Mower PO15 HYJ					21,000	21,000
Total Community Services Committee	1,912,440	1,863,440	282,000	685,800	507,800	5,251,480

ECONOMIC DEVELOPMENT COMMITTEE SCHEMES						
Gateway Signs for Whalley, Longridge and Clitheroe	20,000					20,000
Total Economic Development Committee	20,000	0	0	0	0	20,000

HEALTH AND HOUSING COMMITTEE SCHEMES						
Disabled Facilities Grants (external funding expected to cover all spend - TBC)	320,000	320,000	320,000	320,000	320,000	1,600,000
Landlord/Tenant Grants	50,000	50,000	50,000	50,000	50,000	250,000
Clitheroe Market Improvements (Moved from 2018/19)	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
Drainage to New Section of Clitheroe Cemetery					68,700	68,700
Joiners Arms Roof Renewal					43,900	43,900
Total Health and Housing Committee	545,000	383,500	383,500	370,000	482,600	2,164,600

FIVE YEAR CAPITAL PROGRAMME 2019/20 – 2023/24

	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
	£	£	3	£	£	£

PLANNING AND DEVELOPMENT COMMITTEE SCHEMES						
Replacement of Plotter/Copier in the Planning Section	14,500					14,500
Total Planning and Development Committee	14,500	0	0	0	0	14,500

POLICY AND FINANCE COMMITTEE SCHEMES						
Re-design of the Corporate Website	30,000					30,000
Corporate Firewall	15,000					15,000
Committee Administration IT System	20,100					20,100
Replacement PCs	47,100					47,100
Lift Replacement at Council Offices	84,050					84,050
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
Revenues and Benefits Replacement Server					27,400	27,400
Cyber Security Solutions Refresh					58,300	58,300
Replacement Air Conditioning Units in Server Room					10,000	10,000
E-Recruitment System					22,500	22,500

FIVE YEAR CAPITAL PROGRAMME 2019/20 – 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Total Policy and Finance Committee	196,250	0	0	358,500	118,200	672,950

TOTAL CAPITAL PROGRAMME 2019/20 TO 2023/24	2,688,190	2,246,940	665,500	1,414,300	1,108,600	8,123,530
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FINANCING						
Disabled Facilities Grant Funding	-320,000	-320,000	-320,000	-320,000	-320,000	-1,600,000
VAT Shelter Earmarked Reserve	-156,880	-90,120	-50,000	-50,000	-50,000	-397,000
Capital Earmarked Reserve	-7,520	0	0	0	-358,082	-365,602
New Homes Bonus Earmarked Reserve	-313,600	-272,000	-272,000	0	-306,637	-1,164,237
Potential External Funding for Castle Keep Repointing	0	-222,240	0	0	0	-222,240
Invest to Save Earmarked Reserve	0	0	0	0	0	0
Planning Earmarked Reserve	-14,500	0	0	0	0	-14,500
ICT Renewals Earmarked Reserve	-54,100	0	0	-87,641	0	-141,741
Vehicle and Plant Renewal Earmarked Reserve	0	0	0	-37,500	-13,530	-51,030
Fleming VAT Earmarked Reserve	-30,000	0	0	-38,272	-5,451	-73,723
Wheeled Bins Earmarked Reserve	-10,000	-10,000	-10,000	-10,000	-11,000	-51,000
Business Rates Growth Earmarked Reserve	-1,522,540	0	0	-474,387	0	-1,996,927
Rural Services Delivery Grant Earmarked Reserve	-84,050					-84,050

FIVE YEAR CAPITAL PROGRAMME 2019/20 – 2023/24

	2019/20 £	2020/21 £	2021/22 3	2022/23 £	2023/24 £	TOTAL £
Usable Capital Receipts	0	-102,580	-13,500	-396,500	0	-512,580
Flexible Homelessness Support Grant	0	0	0	0	-43,900	-43,900
Borrowing	-175,000	-1,230,000	0	0	0	-1,405,000
TOTAL FINANCING 2019/20 TO 2023/24	-2,688,190	-2,246,940	-665,500	-1,414,300	-1,108,600	-8,123,530

REVENUE BUDGET

	Original Estimate 2018/19 £	Revised Estimate 2018/19 £	Original Estimate 2019/20 £
Planning and Development	461,540	412,750	392,030
Community Services	3,764,020	3,887,570	4,024,030
Economic Development	270,240	275,340	288,990
Health and Housing	976,510	957,080	1,002,780
Policy and Finance	1,930,790	2,015,260	2,242,750
Committee Net Requirements	7,403,100	7,548,000	7,950,580
Capital Charges Adjustment			
- Remove Depreciation	-892,620	-929,130	-1,004,630
- Replace with Minimum Revenue Provision	130,560	129,840	126,062
Total Expenditure	6,641,040	6,748,710	7,072,012
External Interest - Payable	7,030	7,030	6,530
Interest - Earned	-20,000	-83,000	-100,000
New Homes Bonus	-1,573,388	-1,575,908	-1,666,486
Rural Services Delivery Grant	-107,921	-107,921	0
Levy Account Surplus	0	0	-20,446
Contingency for pay award	75,000	0	0
Business Rates			
- Retained Rates Income	-398,857	-398,857	-581,737
- Renewable Energy	-81,921	-93,921	-93,820
- Section 31 Grant for Business Rates	-930,916	-944,825	-1,636,295
- 10% of Retained Levy – Payable to LCC	52,737	71,647	0
- 5% of extra growth - risk reserve	0	0	29,555
-25% of extra growth - strategic growth fund	0	0	147,776
- Share of Business Rates Deficit/(Surplus) on Collection Fund	25,165	25,165	-224,211
Less Added to/(taken from) Earmarked Reserves			
- Relating to Planning & Development Committee			
Building Control Fee Earning	15,020	-15,190	-15,290
Neighbourhood Planning Reserve	0	9,710	0
Pendle Hill User Reserve	0	-15,560	0
Restructuring Reserve	0	-9,670	0
Planning Reserve	-19,160	-45,680	-11,200
- Relating to Community Services Committee			
Community Safety Partnership (re CRIME)	-13,780	-4,790	-14,060
Repairs and Maintenance Reserve	0	-8,180	0
Recreation Grants Reserve - for Recreation Grants	0	-8,240	0
Grant Funded Sports Development	0	-400	0
Exercise Referral Reserve	0	-1,160	0

REVENUE BUDGET

	Original Estimate 2018/19 £	Revised Estimate 2018/19 £	Original Estimate 2019/20 £
Refuse Collection Reserve	2,040	9,950	2,080
Amenity Cleansing Reserve	0	-5,750	0
Two Way Radio	0	1,500	1,500
Food Festival Reserve	0	-3,210	-14,120
Capital Reserve	0	14,650	0
<i>- Relating to Health and Housing Committee</i>			
Equipment Reserve	0		0
Government Housing Grants	-17,960	-780	30,000
Capital Reserve	0	37,090	10,610
<i>- Relating to Policy and Finance Committee</i>			
Elections	22,990	22,990	-90,000
Performance Reward Grant	-2,650	0	0
IT Reserve	-3,970	-12,140	0
Add to VAT Shelter	108,080	39,710	0
Pensions Triennial Revaluation Reserve	33,320	33,060	50,540
Revaluation Reserve	2,110	2,110	2,150
<i>- Corporate Movements in Earmarked Reserves</i>			
Added to New Homes Bonus Reserve	468,388	470,908	561,486
Business Rates Growth Reserve - Balance (Taken)/Added	383,645	220,454	1,683,218
Business Rates Growth Reserve - Retained Levy added to reserve	474,633	644,823	0
Post LSVT Reserve (Pensions) - BWG	-36,512	-36,512	-36,512
General Balances	-170,738	-54,388	-93,896
Net Expenditure	4,933,425	4,933,425	4,999,384
Parish Precepts	435,183	435,183	450,764
Budget Requirement	5,368,608	5,368,608	5,450,148
Less Settlement Funding Assessment			
– Revenue Support Grant	-109,149	-109,149	0
– Business Rates Baseline	-1,302,823	-1,302,823	-1,440,601
Council Tax (Surplus)/Deficit	-70,351	-70,351	-61,419
Precept	3,886,285	3,886,285	3,948,128
Taxbase	22,902	22,902	23,209
Council Tax	150.69	150.69	150.69
Council Tax (including Parishes)	169.69	169.69	170.11

COLLECTION FUND

Collection Fund	Original 2018/19 £	Revised 2018/19 £	Original 2019/20 £
EXPENDITURE			
<u>Council Tax</u>			
<i>Precepts:</i>			
Lancashire County Council	29,656,258	29,656,258	31,253,007
Lancashire Police and Crime Commissioner	4,063,960	4,063,960	4,675,453
Lancashire Combined Fire Authority	1,544,969	1,544,969	1,612,562
Ribble Valley including Parishes	3,886,285	3,886,285	3,948,128
<i>Allocation of Surplus:</i>			
Lancashire County Council	524,995	524,995	468,689
Lancashire Police and Crime Commissioner	71,096	71,096	64,227
Lancashire Combined Fire Authority	28,146	28,146	24,417
Ribble Valley including Parishes	70,351	70,351	61,419
Overpayments of Council Tax Benefit	0	2,798	0
Bad Debts Provision	295,855	100,000	313,520
Expenditure Subtotal - Council Tax	40,141,915	39,948,858	42,421,422
<u>Business Rates</u>			
Deficit Brought Forward	62,911	0	0
Cost of Collection	88,160	88,160	90,783
Enterprise Zones	131,098	217,520	132,877
Renewable Energy Schemes	81,921	93,921	93,820
Transitional Protection	195,156	0	0
<i>Distribution of Business Rates</i>			
Central Government	7,311,176	7,311,176	3,744,068
Ribble Valley	5,848,942	5,848,942	8,386,713
Lancashire County Council	1,316,012	1,316,012	2,620,848
Lancashire Combined Fire Authority	146,224	146,224	224,644
<i>Distribution of Business Rates Surplus</i>			
Central Government	0	0	280,264
Ribble Valley	0	0	224,211
Lancashire County Council	0	0	50,448
Lancashire Combined Fire Authority	0	0	5,605
Appeals Provision	472,459	616,333	488,224
Bad Debts Provision	157,487	150,000	162,742
Expenditure Subtotal - Business Rates	15,811,546	15,788,288	16,505,247
TOTAL EXPENDITURE	55,953,461	55,737,146	58,926,669

COLLECTION FUND

Collection Fund	Original 2018/19 £	Revised 2018/19 £	Original 2019/20 £
EXPENDITURE			
INCOME			
<u>Council Tax</u>			
Surplus Brought Forward	694,588	820,851	618,752
Council Tax Income	39,447,327	39,746,521	41,802,670
Council Tax Benefits	0	238	0
Income Subtotal - Council Tax	40,141,915	40,567,610	42,421,422
<u>Business Rates</u>			
Surplus Brought Forward		94,322	560,528
Net Rates Payable (before appeals)	15,748,634	15,983,210	15,776,121
Transitional Protection		208,370	168,598
<i>Allocation of Deficit:</i>			
Central Government	31,456	31,456	0
Ribble Valley	25,165	25,165	0
Lancashire County Council	5,662	5,662	0
Lancashire Combined Fire Authority	629	629	0
Income Subtotal - Business Rates	15,811,546	16,348,814	16,505,247
TOTAL INCOME	55,953,461	56,916,424	58,926,669
Council Tax (Surplus)/Deficit	0	-618,752	0
Business Rates (Surplus)/Deficit	0	-560,526	0
OVERALL SURPLUS FOR YEAR	0	-1,179,278	0