

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

DECISION
----------

Agenda Item No 7

meeting date: 4 FEBRUARY 2020  
 title: OVERALL REVENUE BUDGET 2020/21  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: JANE PEARSON

## 1 PURPOSE

- 1.1 To approve the revised revenue budget for 2019/20.
- 1.2 To consider and recommend a revenue budget and council tax requirement for 2020/21 to Full Council on 3 March 2020.

## 2 CURRENT YEAR'S REVISED BUDGET 2019/20

### Background

- 2.1 The revised budget for 2019/20 has now been prepared. Committees, during this cycle, have reviewed their estimates and the reasons for any significant changes.
- 2.2 The Original Estimate initially allowed 2% for price increases and the known percentage increase agreed for the second year of the two year pay award (which on average was 2.8%).
- 2.3 The revised budget now forecasts that there will be an increase of £62k in how much we need to take from general fund balances to balance our budget. This is shown in the summary below.

Committee	Original 2019/20 £	Revised 2019/20 £	Difference £
Planning and Development	392,030	569,300	177,270
Community Services	4,024,030	4,062,310	38,280
Economic Development	288,990	298,350	9,360
Health and Housing	1,002,780	981,400	-21,380
Policy and Finance	2,242,750	2,149,800	-92,950
<b>Total of Committees</b>	<b>7,950,580</b>	<b>8,061,160</b>	110,580
<b>Capital Adjustments:</b>			
Depreciation	-1,004,630	-933,220	71,410
Minimum Revenue Provision	126,062	126,075	13
<b>Total Expenditure</b>	<b>7,072,012</b>	<b>7,254,015</b>	182,003
<b>Other Items</b>	-4,139,134	-4,119,617	19,517
<b>Less Added to/(taken from) Earmarked Reserves</b>	2,160,402	2,020,951	-139,451
General Balances	<b>-93,896</b>	<b>-155,965</b>	-62,069
<b>Net Expenditure</b>	<b>4,999,384</b>	<b>4,999,384</b>	<b>0</b>
Parishes	450,764	450,764	0
<b>Budget Requirement</b>	<b>5,450,148</b>	<b>5,450,148</b>	<b>0</b>

## Changes in Expenditure

- 2.4 Committee expenditure has increased by £111k. However this is before appropriations to and from earmarked reserves of which there are many.
- 2.5 Service Committees have considered their detailed reports which give more information on the forecast variations between the original estimate and the revised estimate, however the **main reasons** are shown in Annex 1.

## Movement in Business Rate Income

- 2.6 A significant element of our income is Business Rate Growth. Our latest estimate of Ribble Valley's share of Business Rate income for the current year predicts the following;

	Original Estimate 2019/20 £	Revised Estimate 2019/20 £
Total Growth under 75% Pilot	2,068,865	2,322,166
Total Growth under 50% scheme	1,477,760	1,658,690
Additional Growth due to being in Pilot	<b>591,105</b>	<b>663,476</b>
Total Business Rate income to be collected as per NNDR1	14,976,273	14,976,273
RVBC Share (56%)	8,386,712	8,386,712
Top-up/(Tariff)	-6,364,375	-6,364,375
Share after Tariff	2,022,337	2,022,337
Baseline Funding Level	1,440,600	1,440,600
Business Rates Income Above Baseline	581,737	581,737
Less 5% of additional growth towards Risk Resilience Reserve	-29,555	-33,174
Less 25% of additional growth for Economic Growth & Financial Sustainability	-147,776	-165,869
Add Renewable Energy	93,820	93,820
Add Business Rates Surplus/(Deficit)	224,211	224,211
Add share of S31 Grant (after adj re multiplier cap)	1,636,295	1,658,936
<b>Total BR Income above baseline for RVBC</b>	<b>2,358,732</b>	<b>2,359,661</b>

- 2.7 As a member of the current Lancashire Business Rate Pilot we benefit from retaining a greater share of business rate income which would otherwise be payable to the Government. Our tier share is 56% as opposed to the standard share for districts of 40%. In 19/20 we will retain additional growth of £663,476 simply from being a 75% pilot member. From this we contribute 5% towards a risk resilience reserve and 25% towards the strategic economic growth and financial resilience reserve.
- 2.8 When setting the original budget we agreed to use £675,514 of our business rate growth to fund the revenue budget and £1,522,540 to fund the capital programme. Based on the latest position we expect to receive £2.360m, use £1,381,940 to fund the capital programme and £675,514 to fund the revenue budget. The revised difference of £302,207k will be added to the business rate growth reserve.

- 2.9 This is after allowing for the surplus carried forward from 2018/19 of £224k. Some elements of the rate retention scheme are calculated on an accruals basis eg levies and section 31 grant whereas others (such as income) are 'fixed' at the start of the year based upon our NNDR1 return.

### **Movement in Earmarked Reserves**

- 2.10 Annex 2 shows the forecasted transfers to and from earmarked reserves compared with the restated original estimate. In summary the net position is that we anticipate adding £139k less to earmarked reserves in the current year than originally forecasted.

### **Overall Changes**

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

	<b>Difference £000</b>
Committees	111
Depreciation	71
Other Items	19
Use of Earmarked Reserves	-139
<b>Net change</b>	<b>62</b>

- 2.12 This shows that the Council is worse off by **£62k** compared with the original estimate. Therefore instead of taking **£94k** from general fund balances at the end of the year, based on these revised estimates we would be taking **£156k** from balances.

## **3 THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2020/21**

### **Provisional Grant Settlement**

- 3.1 The details of our grant settlement are set out in the separate report elsewhere on your agenda. The table below summarises our provisional position.

	<b>2020/21 £m</b>
Settlement Funding Assessment	1.354393
of which:	
Revenue Support Grant	0
Baseline Funding Level	1.354393
New Homes Bonus	1.758302
Rural Services Delivery Grant	0.107921

### **Rural Services Delivery Grant**

- 3.2 The Government previously announced a considerable increase in support for the most sparsely populated rural areas by way of a Rural Services Delivery Grant.
- 3.3 For Ribble Valley we will receive £107,921, the same allocation as in 2019/20. This will be paid separately instead of being rolled in to our business rates baseline.

- 3.4 From 2017/18 onwards it was agreed this funding will be used to support our net revenue expenditure.

### **Negative Revenue Support Grant (RSG)**

- 3.5 The Government have announced that negative RSG will again be eliminated via forgone business rate receipts. This is pleasing news for Ribble Valley as our negative RSG for next year was set to be £109k.

### **Future Years Government Funding**

- 3.6 2019/20 is the final year of the four-year settlement.
- 3.7 The Government have delayed two important consultations which will both consider future local government funding;
- Review of local authorities' relative needs and resources (Fair Funding Review)
  - Business Rates Retention Reform
- 3.8 In September the Government announced these were both being put back until April 2021.
- 3.9 We expect to receive notification of the final settlement figures in early February. We will report our final figures to you at your meeting if possible.

### **Council Tax Referendum Criteria**

- 3.10 As set out in the previous report a referendum must be held where an authority's Council Tax increase is higher than the principles proposed annually by the Secretary of State and approved by the House of Commons.
- 3.11 For 2020/21 the Government have announced the core referendum thresholds:
- a core principle of up to 3%. This would apply to shire county councils, unitary authorities, London borough councils, the Common Council of the City of London, the Council of the Isles of Scilly, the general precept of the Greater London Authority, and fire and rescue authorities;
  - a bespoke council tax referendum principle of 2% or £5 whichever is the higher for shire district councils
  - an adult social care precept flexibility, for local authorities with responsibility for adult social care of up to 2% on top of the core principle
  - a council tax referendum limit for PCC's of £10
- 3.12 It is important when deciding on our council tax level for next year to consider the amount of income any change will generate. For indicative purposes the table below shows the increased income available to the Council for next year for a both a council tax freeze and a £5 increase.
- 3.13 A £5 increase in our share of the Council Tax would result in a Band D tax amount of £155.69 (an increase of 3.3%). This would generate £118,115 each year in extra revenue. In addition the increase in our taxbase generates a further £62,386.

	Current Council Tax £	Council Tax increased by £5.00 £
Band D Council Tax	150.69	155.69
Taxbase for 2020/21	23,623	23,623
= Council Tax Income 2020/21	3,559,750	3,677,865
Council Tax income 2019/20	3,497,364	3,497,364
Extra income from Council Tax	62,386	180,501
Of which due to increase in taxbase	62,386	62,386
Of which due to increase in council tax charge	0	118,115

## 4 MAJOR INCOME SOURCES

### Council Tax

- 4.1 I have calculated the council taxbase in accordance with proper practices. Our council taxbase for 2020/21 is 23,623. This compares with the current taxbase of 23,209 in 2019/20.
- 4.2 A breakdown of the calculation showing the taxbase by parish is included in Annex 7.
- 4.3 Our current Band D tax is £150.69 and has only been increased twice since 2010/11. We are in the bottom quartile of all district councils at 30th out of 192. Across Lancashire the position in 2019/20 is as follows.

	Average council tax for 2019/20 Band D £	% increase on 2018/19 charge
<b>LANCASHIRE</b>		
Preston	314.50	2.99
Burnley	300.22	2.99
Rosendale	271.46	2.99
Pendle	265.34	2.99
Hyndburn	245.52	2.08
Lancaster	226.95	2.99
South Ribble	218.88	1.99
Fylde	206.60	2.48
West Lancashire	203.39	2.99
Wyre	199.74	2.99
Chorley	191.94	2.99
Ribble Valley	150.69	0.00

- 4.4 As shown in paragraph 3.13 above the maximum income from council tax we can rely on for 2020/21 is £3,677,865 based upon a £5 increase in Band D. If you were to decide to increase our Band D council tax, you can see from the above table, we would still have the lowest in Lancashire by a considerable margin.

## **New Homes Bonus Scheme (NHB)**

- 4.5 In December 2016 following a consultation exercise the Government announced reforms to the New Home Bonus Scheme:
- reduce the number of years NHB payments are made from 6 years to 5 years in 2017/18 and then to 4 years from 2018/19; and
  - introduction of a national baseline for housing growth of 0.4% of the council tax base from 2017/18, below which NHB will not be paid
- 4.6 Following a recent technical consultation, the Government are proposing the following for 2020/21;
- no change to the payments baseline at 0.4% after careful consideration of the additional housing stock numbers reported through council tax base data.
  - retaining the £900m top-slice of RSG to fund the NHB payments
  - a new round of allocations for 2020/21 allocated in line with previous years; and
  - making no legacy payments on these new allocations but making legacy payments on allocations from previous years
- 4.7 For Ribble Valley, our in-year allocation for 2020/21 will increase from £464k to £490k. In effect our taxbase had to increase by 108 new properties between October 2018 and October 2019 before we could receive any NHB for 20/21. Our allocation also includes a payment for new affordable housing within the year.
- 4.8 Our total provisional allocation for next year is £1.758m compared with £1.666m in 2019/20. As in previous years we have submitted evidence of the impact of downbandings during the year on our NHB allocation. We estimate this could bring in an extra £12k for Ribble Valley.
- 4.9 Given the announcement that new allocations will be for one year only and will not attract legacy payments we need to consider how much of our NHB we can use to fund our revenue and capital budgets in the future. As we have not committed all of our NHB every year we are in a position where we could continue to fund the £1.105m needed to support our revenue budget from unallocated NHB for a couple of years if the position was to change significantly.
- 4.10 Annex 3 shows the allocation of our NHB since the start of the scheme.

## Business Rates

- 4.11 We have now completed our NNDR1 return which we will submit to the Government by 31 January 2020. Based on the new Lancashire Business Rate Pool arrangements which will replace the 75% Lancashire Pilot we anticipate our share of business rates for next year will be as follows:

	2019/20 Original Estimate £	2020/21 Original Estimate £
Billing Authority NNDR Income	14,976,273	15,282,796
LA share of NNDR income	8,386,713	6,113,118
Less Tariff	6,364,375	4,311,424
	2,022,338	1,801,694
Baseline Funding Level	1,440,601	1,354,393
<b>Retained Rates Income before levy</b>	<b>581,737</b>	<b>447,301</b>
Less 10% Levy paid to LCC	n/a	-67,385
5% contrib to risk reserve under pilot	-29,555	n/a
25% contrib to strategic growth fund	-147,776	n/a
<b>Section 31 Grant:</b>		
Multiplier Cap	73,288	81,001
SBRR	1,190,654	921,600
SBRR re supplementary multiplier income	42,201	30,362
SBRR where 2nd prop occupied	9,659	3,943
Rural Rate Relief	11,624	8,535
Supporting Small Businesses (SSB)	7,702	8,290
Pub Relief		
Discretionary scheme	12,042	1,238
Retail Discount	289,125	197,074
Total Section 31 Grant	1,636,295	1,252,043
Add Renewable Energy	93,820	96,180
<b>Total Business Rate Income to General</b>	<b>2,134,521</b>	<b>1,728,139</b>
Surplus/(Deficit) brought forward	224,211	252,894
<b>Total Business Rate Income</b>	<b>2,358,732</b>	<b>1,981,033</b>
Used to fund revenue budget	-675,514	-875,514
<b>Remaining to add to earmarked reserve</b>	<b>1,683,218</b>	<b>1,105,519</b>

- 4.12 We have obviously had to make assumptions about the potential of successful appeals, bad debts and also growth in our business rates base.
- 4.13 As a member of the Lancashire Business Rate Pool our tier split will reduce from 56% to 40% and we will make a payment of 10% of our levy to Lancashire County Council.
- 4.14 Although we await the announcement of the Final Local Government Grant Settlement when our final tariff and baseline figures will be announced we estimate at this stage that the total business rate growth income for next year will be £1,981,033. As per our budget forecast we plan to use £875k next year to fund the revenue budget.

	2018/19 actual £	2019/20 Revised Estimate £	2020/21 Original Estimate £
Business Rate Growth	1,348,534	2,359,661	1,981,033
Used to support Revenue Budget	-475,514	-675,514	-875,514
Used to support Capital Programme	-94,508	-1,381,940	-60,880
Transferred to general fund balances	0	0	0
Surplus/deficit for year	778,512	302,207	1,044,639
Of which:			
Added to volatility reserve	0	0	0
Added to growth reserve	778,512	302,207	1,044,639
	778,512	302,207	1,044,639
<b>Business Rate Volatility Reserve</b>			
Opening Balance b/fwd	1,682,000	1,682,000	1,682,000
Closing Balance c/fwd	1,682,000	1,682,000	1,682,000
<b>Business Rate Growth Reserve</b>			
Opening Balance b/fwd	221,060	999,572	1,301,779
Closing Balance c/fwd	999,572	1,301,779	2,346,418

4.15 The volatility reserve stands at £1.682m. This provides a safety net protection which we have had to forgo as a pool member at 92.5% of our business rates. Since reaching this level we have created a Business Rate Growth to support both the revenue budget and capital programme.

## 5 COLLECTION FUND

5.1 The council tax is a combination of various factors, namely:

- ❖ The net spending requirements of -
  - ❖ Lancashire County Council
  - ❖ Lancashire Police and Crime Commissioner
  - ❖ Lancashire Combined Fire Authority
  - ❖ Ribble Valley Borough Council
  - ❖ The Parish Councils in our area
- ❖ Surplus/deficit on the council tax share of the collection fund
- ❖ Council tax base at band D equivalent

5.2 The Business Rates Retention Scheme is also operated via our Collection Fund and therefore we also have a surplus or deficit in respect of Business Rates at the end of each financial year.

5.3 I have already assessed the potential surplus/deficit on the collection fund. I estimate the Collection Fund will produce an overall surplus of £1,316,732 this year. This consists of a surplus for council tax of £860,748 and a surplus in respect of Business Rates of £455,984.

5.4 The Council Tax surplus will be shared amongst all the major precepting authorities. Our share of the surplus is £81,910.



- 5.5 The Business Rates surplus will be shared between the Government, Lancashire County Council, Lancashire Combined Fire Authority and ourselves in 2020/21. Our share of the surplus is £252,894.
- 5.6 A statement showing the Collection Fund is attached at Annex 4.

## 6 REVENUE BUDGET 2020/21

### Base Budget Position

#### Introduction

- 6.1 Committee budgets include provision for pay increase of 3% and price increases of 2%. The Budget Working Group recommended that any growth items should be funded from identified savings. Fees and charges have also been reviewed by committees and have been increased by at least the rate of inflation where feasible. All committees have now considered their draft budgets for next year.

#### Provisional Base Position

- 6.2 The provisional base position for next year as agreed by service committees is shown below, compared with the original budget for 2019/20.

<b>Committee</b>	<b>Original 2019/20 £</b>	<b>Original 2020/21 £</b>	<b>Difference</b>
Planning and Development	392,030	380,540	-11,490
Community Services	4,024,030	4,205,110	181,080
Economic Development	288,990	311,360	22,370
Health and Housing	1,002,780	1,109,870	107,090
Policy and Finance	2,242,750	2,171,210	-71,540
<b>Total of Committees</b>	<b>7,950,580</b>	<b>8,178,090</b>	<b>227,510</b>
<b>Capital Adjustments:</b>			
Depreciation	-1,004,630	-1,103,640	-99,010
Minimum Revenue Provision	126,062	117,667	-8,395
<b>Total Expenditure</b>	<b>7,072,012</b>	<b>7,192,117</b>	<b>120,105</b>
<b>Other Items</b>	<b>-4,139,134</b>	<b>-3,866,236</b>	<b>272,898</b>
<b>Added to/(taken from) Earmarked Reserves see Annex 5</b>	<b>2,160,402</b>	<b>1,707,099</b>	<b>-453,303</b>
Use of General Balances	<b>-93,896</b>	<b>?</b>	<b>93,896</b>
<b>Net Expenditure</b>	<b>4,999,384</b>	<b>5,032,980</b>	<b>33,596</b>
<b>Less Funding</b>			
Business Rates Baseline	-1,440,601	-1,354,393	86,208
Council Tax Surplus	-61,419	-81,910	-20,491
Council Tax income (current Band D)	-3,497,364	-3,559,750	-62,386
<b>Total Funding</b>	<b>-4,999,384</b>	<b>-4,996,053</b>	<b>3,331</b>
Budget Gap	0	36,927	

- 6.3 This shows that as per the budgets agreed by service committees at their January meetings there is a budget gap of £36,927, based on a zero council tax increase and before using any of our general fund balances. However this is before allowing for any extra items.

## Committee Expenditure

- 6.4 As shown Committee expenditure is set to increase by £228k. The reasons for this, again, are varied and have been reported to service committees in the budget reports. In summary the main reasons for this are shown in Annex 6.

## Capital Adjustments

- 6.5 The total depreciation we are taking out of our committee estimate is increasing from £1.005m in 2019/20 to £1.104m in 2020/21. This reflects the increase in capital charges included in committee estimates due to the implementation of schemes in the capital programme.

## Movement of Other items

- 6.6 When we prepared our original estimate for 2019/20 we anticipated 'other items' would reduce our net budget by £4.139m however our draft budget for next year anticipates these will reduce our budget by £3.866m. This is a difference of £273k and can be explained below.

<b>Movement on Other Items</b>	<b>£000</b>
More New Homes Bonus to be received	-92
Less Business Rate Income to be received	377
Less interest receipts anticipated	25
Rural Services Delivery Grant (was rolled into Business Rate Baseline in 19/20)	-107
No Levy Account Surplus payment	20
Provision for higher costs of repairs on Refuse Vehicles	50
	<b>273</b>

## Major Changes not included in Committee Budgets for 2020/21

### Review of Local Plan

- 6.7 Planning and Development Committee at their meeting on 9/1/20 considered a report which set out the estimated costs of reviewing our Local Plan over a three year period.
- Year 1 2020/21 £190,000
  - Year 2 2021/22 £108,000
  - Year 3 2022/23 £2,000
  - Total cost = £300,000

- 6.8 The committee agreed with the budget proposed and recommended that the BWG be asked to consider how this growth item could be included within our revenue budget.

### Paper

- 6.9 Last year we had to reduce the income assumed in our budget for the sale of paper from £48,850 to £4,550, a reduction of £44,300. It was agreed we would keep this budget under review. Market conditions if anything have worsened to such an extent that may result in negative income from the sale of waste paper in the coming year.

### **Pay Award**

- 6.10 The pay award for 2020/21 has not yet been settled and discussions with the Unions were deferred pending the outcome of the General Election. Talks are ongoing but with the Staff pay claim at 10% and expectations running high for increases in public sector pay, the 3% we have allowed may prove insufficient. Every 1% adds approximately £70,000 to our revenue budget.

### **Personnel Committee January 2020 Establishment Changes**

- 6.11 Personnel Committee at their meeting on 15 January 2020 agreed to make two posts full time. The extra cost of this is £16,500.

### **Difficulties in Recruitment and Retention**

- 6.12 In the last 12 months in particular we have experienced difficulties in retaining and recruiting to posts particularly those requiring professionally qualified staff. We may have to look again at the remuneration packages we offer as it is not anticipated the current recruitment problems will ease in the near future

### **Feasibility Study for Edisford Car Park Extension**

- 6.13 Whilst considering the bids put forward for consideration in the Council's 5 Year Capital Programme, CMT suggested that a feasibility study should be carried out before the Edisford Car Park Extension scheme was progressed. The estimated cost of this is £10,000.

### **Freedom March**

- 6.14 At your meeting on 21 January you agreed an extra revenue budget for the Freedom March which will take place in April. This is an extra cost of £7,500.

## 7 BUDGET WORKING GROUP

### Background

- 7.1 The Budget Working Group has again met frequently throughout the year to consider the Council's financial position.
- 7.2 Meetings have inevitably focussed on our business rate income, new homes bonus and council tax income as these are now our key income streams and will be in the future. The Budget Working Group considered the overall budget position for next year and make the following recommendations.

### Budget Recommendations

1. **Review of Local Plan Costs** – Do you agree the £190k should be added to our revenue budget in 2020/21? Also that the year 2 and year 3 figures should be included in our budget forecast?

**The BWG agreed that the costs of reviewing the Local Plan should be added to our revenue budget. Also that year 2 and 3 costs should be included in our budget forecast.**

2. **Inclusion of other extra budget Growth Items** – Do you agree that the following should be added to the revenue budget?

• Establishment Changes	£16,500
• Freedom March	£7,500
• Contingency for Feasibility Study for Edisford Car Park	£10,000
<b>Total other extra items</b>	<b>£34,000</b>

**The BWG agreed that these items should be added to the revenue budget for next year**

3. **New Homes Bonus**– Do you agree leaving the amount used to fund the revenue budget at its current level of £1,105,000?

**Though the Budget Working Group recognise the impending changes to the scheme they recommend we use £1,105,000 to fund the 2020/21 revenue budget.**

4. **Business rates growth** – Do you confirm the increase in the amount of business rate growth used to support the revenue budget to £875,514 next year? (in line with the amount previously agreed in the budget forecast)

**The BWG agreed to use £875,514 of business rate growth to support the 2020/21 revenue budget.**

**Assuming you agree with the Budget Working Group's recommendations this results in a budget gap of £260,927**

5. **Council Tax** - Do you agree a £5 increase in our band d council tax? This would take our band d charge to £155.69?

The BWG considered the level of our council tax at £150.69 for a band d property and given the budget pressures recommend a £5 increase in our band d tax for 2020/21 to assist in bridging the budget gap. As per para 3.13 this would generate an extra £118,115.

6. **Use of Balances.** Do you confirm the use of balances to support the revenue budget? (general fund balances at 1/4/19 = £2.472m)

The BWG recommend that the remaining shortfall of £142,812 be met from general fund balances. This is below the £250k which has been set previously.

7.3 The above changes result in a balanced budget as shown below:

<b>Committee</b>	<b>Original 2020/21 £</b>
Total of Committees after capital adjustments	7,192,117
Add extra items – Local Plan, Freedom March & Establishment costs	214,000
<b>Total Expenditure</b>	<b>7,406,117</b>
Other Items	-3,866,236
Add contingency for feasibility study	10,000
Added to/(taken from) Earmarked Reserves	1,707,099
Use of General Balances (balancing figure)	-142,812
<b>Net Expenditure</b>	<b>5,114,168</b>
<b>Less Funding</b>	
Business Rates Baseline	-1,354,393
Council Tax Surplus	-81,910
Council Tax Income	-3,677,865
<b>Total Funding</b>	<b>-5,114,168</b>
Budget Gap	0

## 8 ROBUSTNESS OF THE ESTIMATES AND BALANCES AND RESERVES

### Introduction

8.1 There is a legal requirement under Section 25 of the Local Government Act 2003 for the Council's Section 151 officer to report on the robustness of the budget and the adequacy of the Council's balances and reserves.

### Robustness of the Budget

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

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

Budget Area	Measures Taken
Future/Current pressures	<p><b>Business Rates</b></p> <p>Whilst no longer members of the 75% Lancashire Pilot from next year, we will be members of a Lancashire 50% Pool. Whilst the benefits are not as great under the 50% Pool, we will retain a levy which would otherwise be payable on any growth we receive above our baseline. We estimate this to be £673k, before payment of 10% is made to LCC.</p> <p>Due to the volatility and also the complexity of how the Business Rates Retention scheme works and further uncertainties surrounding issues such as appeals, growth estimates, I recommend not relying on the full amount of anticipated income for next year as set out earlier in the report.</p> <p>Beyond next year we await the outcome of reforms to Business Rate Retention which could have a significant impact on how much income we could expect to retain in future to support our budget.</p> <p><b>New Homes Bonus</b></p> <p>Our allocation for next year will be £1.758m. We have committed using £1.105m each year to support revenue. In addition the 5 year capital programme, if approved, relies on using some of our NHB.</p>

Budget Area	Measures Taken
	<p>Whilst the Government have already said that in future there will be no legacy payments made for new allocations but previous year's allocations will attract legacy payments we expect further significant reforms or even replacement of the current scheme.</p> <p>The Government have stated that it is not clear that the New Homes Bonus scheme in its current form is focussed on incentivising homes where they are needed most. Alongside the Provisional Grant Settlement for 2020/21 they announced that they will consult on the future of housing incentive in the spring. This will include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need, and which is aligned with other measures around planning performance.</p> <p>Given our New Homes Bonus allocation forms a large part of our funding from Central Government we need to keep under review any announcements and consultations launched in the new financial year.</p> <p><b>Fair Funding Review</b> The Government have said they intend to publish indicative allocations setting out how the fair funding review could impact on individual councils by the spring.</p> <p><b>Impact of Brexit</b> Britain is now set to leave the UK this Friday (31 January 2020) and enter an 11 month transition period. The financial implications for the Council of the UK leaving the European Union are unknown at this stage however we will keep this under review.</p> <p><b>Difficulties in Recruitment and Retention</b> In the last 12 months in particular we have experienced difficulties in retaining and recruiting to posts particularly those requiring professionally qualified staff. We may have to look again at the remuneration packages we offer as it is not anticipated the current recruitment problems will ease in the near future.</p> <p><b>Ongoing cost of Planning Appeals:</b></p> <ul style="list-style-type: none"> <li>• This includes the cost of defending appeals by our own staff and also the engagement of consultants and barristers to act on our behalf There are a number of appeals which are current.</li> <li>• This also includes costs awarded against the Council by the Planning Inspector at appeal stage, both settled and outstanding. There may be future cost decisions against the Council when defending planning appeals.</li> </ul>

Budget Area	Measures Taken
	<p><b>Revenue Impact of Capital Programme</b> The revenue implications of the capital programme for 2020/21 have been built into the revenue budget.</p> <p><b>Income Streams</b> The income share from the VAT shelter continues to decline. This funding has been used to date to support the capital programme and not been relied upon to fund the revenue budget.</p>
<p>Consideration of Inflation and Interest Rates</p>	<p>Inflation has been added to appropriate budgets at 2.0% for price increases. The pay award for 2020/21 has not yet been settled and discussions with the Unions were deferred pending the outcome of the General Election. Talks are ongoing but with the Staff pay claim at 10% and expectations running high for increases in public sector pay, the 3% we have allowed may prove insufficient. Every 1% adds approximately £70,000 to our revenue budget.</p> <p>The prospects for interest rates are regularly reviewed.</p> <p>Obviously the prospects for inflation and interest rates will need to be closely monitored as national and international events unfold.</p>
<p>Savings Considerations</p>	<p>The budget reports presented to each service committee included any identified savings for 2020/21. These will be monitored closely throughout the year to ensure they are achieved.</p>
<p>Use of reserves and balances</p>	<p>Careful consideration is given to the use of reserves and balances when setting the budget to ensure that future budgets are sustainable.</p>

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

### **Adequacy of Reserves**

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

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

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

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



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

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

### **General Fund Balances**

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

	<b>£000</b>
Opening Balance 1 April 2019	2,472
Estimated Amount to be taken from Balances in 2019/20	-156
<b>Estimated Balances in Hand 31 March 2020</b>	<b>2,316</b>

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

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

8.11 Bearing this in mind and our previous good record in achieving savings in the revenue budget as the year progresses my judgement is that in 2020/21 the maximum amount to be used to fund recurring expenditure should be no more than £250,000. This is based upon our sound system of financial control and our recent track record of underspending during the year.

### **Earmarked Reserves**

8.12 Annex 5 shows the Council's earmarked reserves together with any movements forecast for 2019/20 and the 2020/21 financial year.

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

## 9 BUDGET WORKING GROUP RECOMMENDED REVENUE BUDGET 2020/21

9.1 If you agree to the Budget Working Group's recommendations, the resultant budget for 2020/21 is set out below. This would still leave £2.173m in general fund balances at the end of March 2021.

<b>Committee</b>	<b>Original 2019/20 £</b>	<b>Original 2020/21 £</b>
Planning and Development	392,030	570,540
Community Services	4,024,030	4,205,110
Economic Development	288,990	311,360
Health and Housing	1,002,780	1,109,870
Policy and Finance	2,242,750	2,195,210
<b>Total of Committees</b>	<b>7,950,580</b>	<b>8,392,090</b>
<b>Capital Adjustments</b>		
Less Depreciation (included in above)	-1,004,630	-1,103,640
Add Minimum Revenue Provision (MRP)	126,062	117,667
<b>Total Expenditure</b>	<b>7,072,012</b>	<b>7,406,117</b>
<b>Other Items</b>		
External Interest - Payable	6,530	6,020
Interest - Earned	-100,000	-75,000
Levy Account Surplus	-20,446	0
Rural Services Delivery Grant	0	-107,921
Contingency for Refuse Vehicle Maintenance	0	50,000
Contingency for Feasibility Study for Edisford Car Park	0	10,000
<b>New Homes Bonus</b>		
New Homes Bonus Allocation Received	-1,666,486	-1,758,302
<b>Business Rates</b>		
Retained Rates Income	-581,737	-447,301
Renewable Energy	-93,820	-96,180
Section 31 Grant for Business Rates	-1,636,295	-1,252,043
75% Pilot Payments – 5% to risk reserve	29,555	0
– 25% to strategic growth fund	147,776	0
50% Pool Payments - Levy payable to LCC	0	67,385
Share of Business Rates Deficit/(Surplus)	-224,211	-252,894
Transfer From/To Various Earmarked Reserves (Annex 5)	2,160,402	1,707,099
<b>Net Expenditure</b>	<b>5,093,280</b>	<b>5,256,980</b>
Adjustment to Balances to Get to Agreed Budget	-93,896	-142,812
<b>Agreed budget for 2019/20</b>	<b>4,999,384</b>	
<b>Recommended budget for 2020/21</b>		<b>5,114,168</b>

## 10 BUDGET AND COUNCIL TAX REQUIREMENT

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

<b>BUDGET AND COUNCIL TAX REQUIREMENT</b>	
	<b>£</b>
RVBC Net Budget	5,114,168
Plus Parish Precepts (Annex 7)	507,581
	<b>5,621,749</b>
Less - Settlement Funding Assessment	-1,354,393
<b>Net Requirement Before Adjustments</b>	<b>4,267,356</b>
Council Tax Surplus	-81,910
<b>Council Tax Requirement (Including Parishes)</b>	<b>4,185,446</b>

## 11 UPDATED THREE YEAR BUDGET FORECAST

- 11.1 I have updated the three year forecast assuming the above budget for 2020/21 is agreed.
- 11.2 The forward projections included are based upon our core base budget and capital programme. As you will appreciate these will change as we progress through 2020/21 to reflect the very latest income and expenditure projections.
- 11.3 A key impact on our future budget will be the outcome of the Fair Funding Review and the changes arising from Business Rate Retention Reforms.
- 11.4 With regards to New Homes Bonus, I have assumed continuing to rely on using £1.105m to fund the revenue budget.
- 11.5 With regards to Business Rates, the BWG recommended using an extra £400k for each of the three years 18/19, 19/20 and 20/21. However it was recognised that this amount needed to be profiled over the period as follows; 18/19 an extra £200k, 19/20 an extra £400k and 20/21 an extra £600k, taking the average amount used to fund the revenue budget to £676k. For 21/22 and 22/23 I have, at this stage, assumed we will rely on the same level, ie £676k.
- 11.6 In terms of council tax levels I have included for **illustration purposes** the maximum allowed increase each year. Clearly the decision on our council tax level for will be taken as part of each year's budget setting round. It is worth noting that the Government have indicated, in our Spending Power figures, we can increase our council tax by £5 next year.
- 11.7 I have assumed the council taxbase will increase by 1.5% next year and then 1% in each of the remaining years of the forecast.
- 11.8 Our MTFs is the Council's key financial planning document. It aims to provide the Council with an assurance that our spending plans are affordable over the Medium Term (3 year

period). The MTFS will now be updated and reported to the Budget Working Group to consider in detail our future budget pressures

11.9 These assumptions result in a budget forecast for the next three years of:

### Three Year Budget Forecast

	2020/21		2021/22		2022/23		2023/24	
	£		£		£		£	
Net Expenditure	7,456,927		7,546,698		7,630,862		7,924,843	
Interest Receipts	-75,000		-75,000		-75,000		-75,000	
Use of Superan reserve	-36,512		-36,512		-36,512		-36,512	
Rural Services Grant	-107,921		0		0		0	
Use of Business Rate Growth	-875,514		-675,514		-675,514		-675,514	
Use of New Homes Bonus	-1,105,000		-1,105,000		-1,105,000		-1,105,000	
Use of Balances	-142,812		-250,000		-250,000		-250,000	
<b>Reductions in Expenditure Required</b>	<b>0</b>		<b>-281,360</b>		<b>-205,909</b>		<b>-337,468</b>	
<b>Budget Requirement</b>	<b>5,114,168</b>		<b>5,123,313</b>		<b>5,282,927</b>		<b>5,445,349</b>	
Core Government Funding								
Revenue Support Grant	0		-109,000		-109,000		-109,000	
Business Rates Baseline	1,354,393		1,354,393	assume freeze	1,354,393	assume freeze	1,354,393	assume freeze
Coll Fund Surplus/(Deficit)	81,910		25,000		25,000		25,000	
<b>Precept</b>	<b>3,677,865</b>		<b>3,852,920</b>		<b>4,012,534</b>		<b>4,174,956</b>	
Tax Base	23,623		23,977	1.5% inc	24,217	1% inc	24,459	1% inc
Band D Council Tax	155.69		160.69	£5 max	165.69	£5 max	170.69	£5 max
<b>Effect of above on General Fund Balances</b>								
<b>General Fund Balances</b>	<b>2020/21</b>		<b>2021/22</b>		<b>2022/23</b>		<b>2023/24</b>	
	£		£		£		£	
Brought Forward	2,316,146		2,173,334		1,923,334		1,673,334	
Used	-142,812		-250,000		-250,000		-250,000	
Carried Forward	2,173,334		1,923,334		1,673,334		1,423,334	

11.10 The above forecast shows that if our estimates are correct we will have a budget shortfall of £281k in 21/22, £206k in 22/23 and £337k in 23/24 after allowing for using £250k from balances and assuming our council tax increases by £5 in each year of the forecast. The forecast is also based on pay and price inflation of 2% each year.

11.11 I have assumed our core government funding consists of negative revenue support grant, no rural services delivery grant and no increase in our business rates baseline.

11.12 **I must stress however, that the outcome of the Fair Funding Review, the potential changes to the New Homes Bonus Scheme and the implications of Business Rate Retention Reforms will be crucial in terms of our future budget forecast and therefore to some extent the forecast beyond 2020/21 is impossible to predict.**

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

## 12 ILLUSTRATIVE TOTAL COUNCIL TAX AT BAND D

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

	Meeting Date to agree council tax	Actual Band D Council Tax 2019/20 £	Estimated Band D Council Tax 2020/21 £	change
Ribble Valley		150.69	155.69	3.3%
Parishes (average)		19.42	21.49	6.6%
Lancashire County Council	13 Feb 20	1,346.59	1,400.32	3.99%*
Police and Crime Commissioner	?	201.45	211.45	5.0%(£10)
Lancashire Combined Fire Authority	24 Feb 20	69.48	70.86	1.99%
		<b>1,790.63</b>	<b>1,859.81</b>	<b>3.9%</b>

\*Includes 2% social care precept

## 13 RECOMMENDED THAT COMMITTEE

- 13.1 Approve the revised budget for 2019/20.
- 13.2 Approve the Budget Working Group's recommendations and set a budget and council tax requirement for 2020/21 as set out in Section 10.1.
- 13.3 Recommend the budget and council tax requirement to the Full Council meeting on 3 March 2020.

DIRECTOR OF RESOURCES  
PF13-20/JP/AC

**SPECIAL POLICY & FINANCE COMMITTEE  
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2019/20**

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20
<b>COMMUNITY SERVICES COMMITTEE</b>	
<p><b><u>COMMD: Community Services, VARIOUS: Car Parks and EXREF: Exercise Referral</u></b> There have been a number of movements around the above cost centres with regard to where staffing costs are accounted for.</p> <p>This particularly impacts on the Car Parks and Exercise Referral services, where the staffing is now included under the Community Services Department and then recharged with departmental oncosts to the relevant services.</p> <p>There have also been some vacancy savings primarily relating to the post of Refuse Manager.</p> <p>The main variances that occur as a result of the above result in a net impact across all cost centres of £25,240.</p>	25,240
<p><b><u>MUSEM: Clitheroe Castle Museum</u></b> Reduction in business rates payable following a rating revaluation.</p>	-15,920
<p><b><u>MUSEM: Clitheroe Castle Museum</u></b> Reduction in depreciation following a revaluation.</p>	-28,240
<p><b><u>VARIOUS: Public Conveniences</u></b> Increased estimate of repairs &amp; maintenance expenditure at various public conveniences locations. The reasons for this include vandalism at Whalley, Church Walk &amp; Edisford, timber related problems at Bolton-by-Bowland, Chipping, Hurst Green &amp; Ribchester and plumbing repairs at Dunsop Bridge.</p>	18,550
<p><b><u>PKADM: Grounds Maintenance</u></b> Grounds maintenance vehicle costs are recharged to this cost centre. A decrease in vehicle costs has resulted in a lower recharge.</p>	-20,420
<p><b><u>VARIOUS: Grounds Maintenance Vehicles</u></b> Reduction in depreciation charges due to various vehicles being fully depreciated and changes regarding replacement vehicles.</p>	-24,480
<p><b><u>VARIOUS: Grounds Maintenance Vehicles</u></b> Sale of vehicles and machinery replaced through the 2019/20 capital programme. Monies to be set aside in an earmarked reserve to fund future years capital programme.</p>	-17,000
<p><b><u>VARIOUS: Grounds Maintenance Vehicles</u></b> Grounds maintenance vehicle expenditure is recharged to Grounds Maintenance (PKADM). Decrease in the amount to be recharged based upon reduced expenditure, in particular depreciation.</p>	20,420

**SPECIAL POLICY & FINANCE COMMITTEE  
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2019/20**

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20
<p><b><u>RCOLL: Refuse Collection</u></b> Decrease to support service costs mainly due to an expected reduction in staff time being spent in this area by Community Services staff.</p>	-15,510
<p><b><u>RCOLL: Refuse Collection</u></b> Part of the cost of the refuse collection service is recharged to other services including trade refuse. Decrease in the recharge is based in part on the reduced expenditure within refuse collection and also a lesser proportion of the total waste tonnage.</p>	23,950
<p><b><u>RPBIN: Replacement Bins</u></b> Estimated expenditure on the purchase of householder bins.</p>	14,050
<p><b><u>RPBIN: Replacement Bins</u></b> Estimated income from the sale of householder bins. Income received is offset against expenditure incurred in the purchase of the bins (see above) and the balance transferred to an earmarked reserve to fund future purchases.</p>	-41,740
<p><b><u>RPOOL: Ribblesdale Pool</u></b> Reduced instructors salaries due to vacancy savings, external provider being used to deliver swimming lessons.</p>	-37,680
<p><b><u>RPOOL: Ribblesdale Pool</u></b> Swimming teachers are being employed from an external agency due to difficulties in filling vacancies for 1.5 x FTE Instructors. In addition an external agency is delivering the Parent &amp; Child lessons on our behalf.</p>	26,620
<p><b><u>RPOOL: Ribblesdale Pool</u></b> Lower than estimated income from swimming lessons as lessons are not currently booked to full capacity due to lack of stability in obtaining instructors.</p>	30,000
<p><b><u>RPOOL: Ribblesdale Pool</u></b> Reduced estimated income from admissions both adult (£15,000) and junior (£12,000).</p>	27,000
<p><b><u>SIGNS: Street Nameplates &amp; Signs</u></b> Decrease to support services costs mainly due to an expected reduction in staff time being spent in this area by Community Services staff.</p>	-19,750
<p><b><u>TAFUT: Together an Active Future</u></b> Grant received to enable the preparation of bids to apply for the funding of activity projects. It is expected not all bids will be prepared this financial year therefore any remaining monies will be put aside to an earmarked reserve to be used in 20/21.</p>	-14,000

**SPECIAL POLICY & FINANCE COMMITTEE  
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2019/20**

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20
<p><b><u>TRREF: Trade Refuse Collection</u></b> Increased estimated tipping charges payable to Lancashire County Council based upon the estimated commercial waste tonnages to be collected.</p>	14,020
<p><b><u>TRREF: Trade Refuse Collection</u></b> Increase to support service costs mainly due to an expected increase in staff time being spent in this area by Community Services staff.</p>	23,580
<p><b><u>TRREF: Trade Refuse Collection</u></b> Decreased recharge from refuse collection is due in part to reduced expenditure within refuse collection and also lesser proportion of the total waste tonnage.</p>	-20,110
<p><b><u>TRREF: Trade Refuse Collection</u></b> Increased estimated income from trade customers: Commercial (-£41,230) and charitable (-£8,830) based upon the current customer base.</p>	-50,060
<b>ECONOMIC DEVELOPMENT COMMITTEE</b>	
<p><b><u>TURSM - Tourism &amp; Events</u></b> Increased expenditure on publicity costs including production of Walks with Taste pamphlets, Ribble Valley Wedding Partnership and the Group Leisure and Travel Show event. Additional sponsorship income is expected to be received to cover this increased expenditure as mentioned below.</p>	10,740
<p><b><u>TURSM - Tourism &amp; Events</u></b> Additional sponsorship income is expected to be received towards the Walks with Taste pamphlets (£4,315), Ribble Valley Wedding Partnership (£4,000) and Group Leisure and Travel Show event (£2,430).</p>	-10,740
<p><b><u>TURSM - Tourism &amp; Events</u></b> Printing costs relating to the production of the Visitor Guide 2020, offset in full by income to be received (see below).</p>	23,790
<p><b><u>TURSM - Tourism &amp; Events</u></b> Additional income to be generated from the sale of advertising in the 2020 Visitor Guide.</p>	-23,660



**SPECIAL POLICY & FINANCE COMMITTEE  
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2019/20**

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20
<b>HEALTH AND HOUSING COMMITTEE</b>	
<p><b><u>CLCEM - Clitheroe Cemetery</u></b> Estimated increases in interments income and exclusive woodland burial rights income in-year, based on a higher number of interments and higher levels of exclusive woodland burial rights purchased for the year-to-date and recent years' trends in these demand-led income areas.</p>	-12,440
<p><b><u>CTBEN - Localised Council Tax Support Administration</u></b> Following the introduction of Local Council Tax Support and the move from Council Tax Benefit, any previous years' overpayments of Council Tax Benefit recovered by the Council are now retained by the Council, whilst any back payments of Council Tax Benefit to claimants falls on the Council. These amounts are not budgeted for at original estimate because they cannot be estimated. The likely net position for 2019/20 is net retained overpayments of £10,020.</p>	-10,020
<p><b><u>CLDCY - Closed Churchyards</u></b> From 2019/20, the costs of grounds maintenance work on closed churchyards that the Council has responsibility for is being charged to a new Closed Churchyards cost centre under this Committee. The costs were previously charged elsewhere under Community Services Committee. This transfer of costs between committees was not known about at original estimate stage, so the budget has now been transferred between the two committees at revised estimate stage.</p>	8,120
<b>PLANNING AND DEVELOPMENT COMMITTEE</b>	
<p><b><u>BCFEE: Building Control Fee Earning Account</u></b> It has been necessary to engage an external consultant within the building control section to undertake fee earning activities during a period of recruitment and the subsequent training of a new employee. Whilst the arrangement is subject to ongoing review it is expected that the consultancy service will continue to be utilised on a casual basis for the remainder of the financial year.</p> <p>The service is forecast to make an overall net loss, which will be met from the Building Control earmarked reserve. Corporate Management Team will be looking further at the deficit position on the service over coming months.</p>	20,050

**SPECIAL POLICY & FINANCE COMMITTEE  
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2019/20**

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20
<p><b><u>PENDU: Pendle Hill User Group</u></b> The council holds two reserves to set aside donations received to fund expenditure on the maintenance/ upkeep of Pendle Hill. Following authorisation from the Pendle Hill User Group and confirmation of current year planned expenditure, funds are set to be released as a contribution towards the Pendle Hill Landscape Partnership project in the current financial year.</p>	42,240
<p><b><u>PLANG: Planning Control &amp; Enforcement</u></b> Spend on consultants in respect of planning appeals year to date is higher than that estimated. Increases in expenditure over the original estimate are generally funded from the planning earmarked reserve.</p>	37,730
<p><b><u>PLANG: Planning Control &amp; Enforcement</u></b> Estimates for income from planning applications and pre-application advice have been reduced at revised estimate by £12k and £11k respectively. Estimated planning application fee outturn for this year has been informed by prior full-year averages and represents a 1.8% reduction on the original estimate. Pre-application advice at the date of review was falling below target income, with the reduction at revised estimate being offset by vacancy savings elsewhere following a prolonged vacancy in the pre-application advice officer post.</p>	23,430
<p><b><u>LDEVE: Local Development Plan</u></b> Cost of Inspector fees for the Local Development Plan Examination in Public (£73,510) offset by net savings on other local development plan expenditure.  As approved by P&amp;F Committee in November 2019 £30k of the expenditure on inspector fees will be met from local development plan funds previously set aside in the planning earmarked reserve, leaving £43k to be met from general fund balances.</p>	64,180
<b>POLICY AND FINANCE COMMITTEE</b>	
<p><b><u>CEXEC: Chief Executive's Department</u></b> Employee turnover within the Chief Executives Department has been lower than that built in to the original budget estimate. This, along with the employment of a temporary dog warden post increases the estimated expenditure on direct employee costs for the year (£18k).  It has also been necessary to engage an external pest control service during the financial year to ensure continuation of the service during a period of staff shortages (£8k).</p>	26,460

**SPECIAL POLICY & FINANCE COMMITTEE  
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2019/20**

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20
<p><b><u>CLOFF: Council Offices</u></b> A budget of £12k has been brought in for the refurbishment of the council offices' canteen which is to be funded from the equipment reserve (approved by this Committee in November 2019).</p>	12,000
<p>Funds were set aside in the repairs and maintenance reserve at the end of the 2018/19 financial year to fund the cost of painting the Council Offices. Detailed costings for the work, which is to be completed by the Engineering Section, have been undertaken and the estimated cost of £28k has now been brought into the Council Offices budget.</p>	27,950
<p><b><u>COMPR: Computer Services</u></b> Software maintenance costs have increased at revised estimate. £7k of this is due to year one revenue costs associated with the corporate firewall capital scheme which has been offset in part by a credit received of -£2k for the trade in of returned hardware. The remaining increases are variations to standard budgeted inflation.</p>	6,130
<p>The council successfully bid for cyber resilience funding from the Local Government Association during the 2018/19 financial year. The funds were moved to an earmarked reserve and this expenditure brings in a budget to expend the funds on external consultancy support in the current financial year to review the council's resilience and recovery arrangements.</p>	10,000
<p><b><u>DISTC: District Elections</u></b> Budgeted costs in respect of the 2019 district election which were incurred towards the end of the 2018/19 financial year have reduced this year's estimate. Costs for district elections are funded from funds set aside in the elections reserve.</p>	-18,880
<p><b><u>ELECT: Register of Electors</u></b> The council has received a new burdens grant from central government to continue to support the additional costs involved in introducing Individual Electoral Registration (IER).</p>	-17,790
<p><b><u>ESTAT: Estates</u></b> Income received for the sale of council land at Peel Park, Claremont Drive and Shay Lane. It is anticipated that after accounting for associated net valuation fees approximately £12k of this will be moved to the capital earmarked reserve to help fund future capital expenditure.</p>	-13,100
<p><b><u>FMISC: Finance Miscellaneous</u></b> Funding has been received from central government to support local councils with any costs incurred in preparation for the EU Exit (-£35k). Any unspent funds in the current year will be set aside in the EU Exit Reserve to meet future associated costs. It is also anticipated that the council will receive transparency code new burdens grant of -£8k this year.</p>	-43,070

**SPECIAL POLICY & FINANCE COMMITTEE  
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2019/20**

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20
The value of VAT shelter income to be received in the current financial year from Onward Homes has been forecast and a budget brought in. This will be transferred to the VAT shelter earmarked reserve.	-26,060
The difference between the council's budgeted employer pension liability (at 16.5% of estimated pensionable pay at revised estimate) and the lump sum payment invoiced from the pension service in 2019 has decreased. The difference between the actual payment and our estimated current year liability is transferred to the pensions triennial reserve.	26,130
<p><b><u>RESOR: Resources Department</u></b> Employee turnover within the Resources Department has been higher than that built in to the original budget estimate. This reduces the estimated expenditure on direct employee costs for the year.</p>	-18,810
<p><b><u>NNDRC: National Non Domestic Rates</u></b> A budget of -£9k has been brought in at revised estimate for funding that has been received from the Ministry of Housing, Communities and Local Government for software and administrative costs of retail discount legislation. This has been offset by associated software costs of £2k.</p>	-7,500
<p><b><u>Support Service Costs</u></b> There is a net decrease in support service costs charged to this committee following changes to various departmental cost allocations</p>	-46,720
<p><b><u>Movement in Capital (Depreciation Charges)</u></b> There have been reductions to the depreciation charges for Council Offices (-£15k) and the Resources Department (-£12k) due to revaluations and also a delay in the introduction of the new telephone system.</p>	-27,220

**SPECIAL POLICY & FINANCE COMMITTEE**  
**REVENUE APPROPRIATIONS TO AND FROM EARMARKED RESERVES 2019/20**

	<b>Original Estimate 2019/20 £</b>	<b>Revised Estimate 2019/20 £</b>
Building Control Fee Earning	-15,290	-41,520
Pendle Hill User Reserve	0	-22,240
Pendle Hill Landscape Partnership Reserve	0	-20,000
Planning Reserve	-11,200	-89,600
Community Safety Partnership (re CRIME)	-14,060	-9,060
Equipment Reserve (various)	0	-27,910
Recreation Grants Reserve	0	-20,590
Exercise Referral Reserve	0	7,710
Refuse Collection Reserve	2,080	20,960
Amenity Cleansing Reserve	0	-18,800
Two Way Radio	1,500	0
Food Festival Reserve	-14,120	-8,370
Capital Reserve	0	24,510
Government Housing Grants	30,000	43,280
Capital Reserve	10,610	7,580
Elections	-90,000	-71,770
Repairs and Maintenance Reserve	0	-27,950
Cyber Resilience Grant Reserve	0	-10,600
Capital Reserve	0	13,390
Performance Reward Grant	0	-1,050
ICT Equipment Reserve	0	-3,130
EU Exit Funding Reserve	0	34,970
LCTS New Burdens Grant Reserve	0	-1,600
Restructuring Reserve	0	-9,600
Add to VAT Shelter	0	26,060
Pensions Triennial Revaluation Reserve	50,540	24,410
Revaluation of Assets Reserve	2,150	-7,250
Added to New Homes Bonus Reserve	561,486	561,486
Business Rates Growth Reserve - Balance (Taken)/Added before capital	1,683,218	1,684,147
Post LSVT Reserve (Pensions)	-36,512	-36,512
	<b>2,160,402</b>	<b>2,020,951</b>

**SPECIAL POLICY & FINANCE COMMITTEE  
USE OF NEW HOMES BONUS**

Relates to:	Received in year											
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
2011/12	62,046	62,046	62,046	62,046	62,046	62,046						
2012/13		117,599	117,599	117,599	117,599	117,599						
2013/14			188,053	188,053	188,053	188,053	188,053					
2014/15				227,108	227,108	227,108	227,108					
2015/16					373,810	373,810	373,810	373,810				
2016/17						398,268	398,268	398,268	398,267			
2017/18							389,751	389,751	389,751	389,751		
2018/19								414,079	414,079	414,079	414,079	
2019/20									464,389	464,389	464,389	464,389
2020/21										490,083		
2021/22											?	
2022/23												?
	<b>62,046</b>	<b>179,645</b>	<b>367,698</b>	<b>594,806</b>	<b>968,616</b>	<b>1,366,884</b>	<b>1,576,990</b>	<b>1,575,908</b>	<b>1,666,486</b>	<b>1,758,302</b>	<b>878,468</b>	<b>464,389</b>
Allocated to date:												
Revenue base	60,000	60,000	60,000	333,780	676,065	786,961	793,079	1,105,000	1,105,000	1,105,000	1,105,000	1,105,000
Revenue in year						6,000						
Capital	0	0	100,000	85,000	35,662	57,749	175,618	139,469	371,470	272,000	272,000	0
Adjustment	60,000	60,000	160,000	418,780	711,727	850,710	968,697	1,244,469	1,476,470	1,377,000	1,377,000	1,105,000
Unallocated	2,046	119,645	217,727	165,997	256,889	516,174	608,293	331,439	190,016	381,302	-498,532	-640,611
Bal C/fwd	2,046	121,691	339,418	505,415	762,304	1,278,478	1,886,771	2,218,210	2,408,226	2,789,528	2,290,996	1,650,385

**SPECIAL POLICY & FINANCE COMMITTEE  
COLLECTION FUND**

	Original 2019/20 £	Revised 2019/20 £
<b>Expenditure</b>		
Deficit Brought Forward:		
Council Tax	0	0
Business Rates	0	0
Council Tax Precepts:		
Lancashire County Council	31,253,007.00	31,253,007.00
Police & Crime Commissioner for Lancashire	4,675,453.00	4,675,453.00
Lancashire Combined Fire Authority	1,612,562.00	1,612,562.00
Ribble Valley incl Parishes	3,948,128.00	3,948,128.00
Allocation of Council Tax Surplus for Year:		
Ribble Valley	61,419.40	61,419.40
Lancashire County Council	468,689.00	468,689.00
Lancashire Combined Fire Authority	24,417.00	24,417.00
Police & Crime Commissioner for Lancashire	64,227.00	64,227.00
Allocation of Business Rates Surplus:		
Central Government	280,264.00	280,264.00
Ribble Valley	224,211.00	224,211.00
Lancashire County Council	50,448.00	50,448.00
Lancashire Combined Fire Authority	5,605.00	5,605.00
Cost of Collecting NNDR	90,783.00	90,783.00
Distribution of Business Rates:		
Central Government	3,744,068.00	3,744,068.00
Ribble Valley	8,386,713.00	8,386,713.00
Lancashire County Council	2,620,848.00	2,620,848.00
Lancashire Fire Authority	224,644.00	224,644.00
Enterprise Zone	132,877.00	221,228.00
Renewable Energy Schemes	93,820.00	93,820.00
Transitional Protection Payments	0.00	0.00
Overpayments of council tax benefit	0.00	0.00
NNDR - Bad Debts Provision	162,742.00	130,000.00
NNDR - Appeals Provision	488,224.00	37,545.00
Council Tax - Bad Debts Provision	313,520.00	100,000.00
CT Benefit Subsidy paid to RVBC		
Flood Discount (Recoverable from GF)		
	<b>58,926,669.40</b>	<b>58,318,079.40</b>
<b>Income</b>		
Surplus Brought Forward:		
Council Tax	618,752.40	706,337.02
Business Rates	560,525.67	575,892.13
Council Tax Income	41,802,670.00	42,362,313.00
Council Tax Benefits	0.00	0.00
DCLG - Family Annexes Discount Grant	0.00	0.00
Transitional Protection Payments due to the authority	168,598.00	196,891.00
Business Rates	15,776,121.00	15,793,378.00
Release of Deferrals (Business Rates)		
Flood Relief	0.00	0.00
	<b>58,926,667.07</b>	<b>59,634,811.15</b>
Surplus/(Deficit) carried forward		
<b>CTAX - Surplus/Deficit) Carried Forward</b>	<b>0.00</b>	<b>860,747.62</b>
<b>NNDR - Surplus/Deficit) Carried Forward</b>	<b>-2.33</b>	<b>455,984.13</b>
<b>Total Surplus/(Deficit)</b>	<b>-2.33</b>	<b>1,316,731.75</b>

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	Balance at 31 March 2019 £	Budgeted to be added/taken in 2019/20 on Revenue £	Budgeted to be added/taken in 2019/20 on Capital £	Forecast Balance at 31 March 2020 £	Budgeted to be added/taken in 2020/21 on Revenue £	Budgeted to be added/taken in 2020/21 on Capital £	Forecast Balance at 31 March 2021 £
<b>Reserves for Shorter Term Service Commitments</b>							
<b><u>Community Services Committee Grants Fund</u></b> <i>Used to fund various Community Services Committee grants</i>	34,955	-20,590	0	14,365	0	0	14,365
<b><u>Audit Reserve Fund</u></b> <i>Used for computer audit</i>	12,335	0	0	12,335	0	0	12,335
<b><u>Refuse Collection</u></b> <i>To fund refuse collection costs of bin replacements and other cost pressures</i>	47,315	20,960	-10,000	58,275	-8,910	-13,000	36,365
<b><u>Amenity Cleansing Reserve</u></b> <i>Used to fund known future amenity cleansing works</i>	29,910	-18,800	0	11,110	-4,920	0	6,190
<b><u>Clitheroe Food Festival</u></b> <i>Resources set aside to help support the costs associated with the Clitheroe Food Festival</i>	13,826	-8,370	0	5,456	-5,460	0	-4
<b><u>Promotional Activities Reserve</u></b> <i>To fund planned publicity and promotional activities</i>	5,000	0	0	5,000	0	0	5,000
<b>Total Reserves for Shorter Term Service Commitments</b>	<b>143,341</b>	<b>-26,800</b>	<b>-10,000</b>	<b>106,541</b>	<b>-19,290</b>	<b>-13,000</b>	<b>74,251</b>
<b>Reserves to Smooth the Revenue Impact of Longer Term Cyclical Costs</b>							
<b><u>Elections Fund</u></b>	<b>101,768</b>	<b>-71,770</b>	<b>0</b>	<b>29,998</b>	<b>30,000</b>	<b>0</b>	<b>59,998</b>



**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	Balance at 31 March 2019 £	Budgeted to be added/taken in 2019/20 on Revenue £	Budgeted to be added/taken in 2019/20 on Capital £	Forecast Balance at 31 March 2020 £	Budgeted to be added/taken in 2020/21 on Revenue £	Budgeted to be added/taken in 2020/21 on Capital £	Forecast Balance at 31 March 2021 £
<i>Used to fund borough elections held once every four years</i>							
<b><u>Revaluation of Assets Reserve</u></b> <i>To contribute towards the revaluation of the Council's assets every five years.</i>	9,400	-7,250	0	2,150	2,190	0	4,340
<b><u>Pensions Triennial Revaluation Reserve</u></b> <i>Savings on contribution rates, set aside with a view to offsetting any future pensions fund deficits</i>	42,228	24,410	0	66,638	38,700	0	105,338
<b>Total Reserves to Smooth the Revenue Impact of Longer Term Cyclical Costs</b>	153,396	-54,610	0	98,786	70,890	0	169,676
<b>Reserves for Trading or Business Units</b>							
<b><u>Building Control Fund</u></b> <i>Available to equalise net expenditure over a three year period</i>	-49,153	-41,520	0	-90,673	-16,150	0	-106,823
<b>Total Reserves for Trading or Business Units</b>	-49,153	-41,520	0	-90,673	-16,150	0	-106,823
<b>Reserves for Sums Set Aside for Major Schemes such as Capital Projects</b>							
<b><u>Capital</u></b> <i>Used to fund the capital programme</i>	892,943	45,480	-52,810	885,613	0	-114,210	771,403
<b><u>ICT Repairs and Renewals</u></b>	144,871	-3,130	-19,960	121,781	0	-30,000	91,781

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	Balance at 31 March 2019 £	Budgeted to be added/taken in 2019/20 on Revenue £	Budgeted to be added/taken in 2019/20 on Capital £	Forecast Balance at 31 March 2020 £	Budgeted to be added/taken in 2020/21 on Revenue £	Budgeted to be added/taken in 2020/21 on Capital £	Forecast Balance at 31 March 2021 £
<i>To fund future software and hardware pressures</i>							
<b><u>Vehicle &amp; Plant Repairs and Renewals Reserve</u></b> <i>Resources set aside to fund future replacement of Vehicles and Plant through the capital programme</i>	51,035	0	0	51,035	0	0	51,035
<b>Total Reserves for Sums Set Aside for Major Schemes such as Capital Projects</b>	1,088,849	42,350	-72,770	1,058,429	0	-144,210	914,219
<b>Reserves for Longer Term Strategic or Corporate Items</b>							
<b><u>VAT Shelter Reserve</u></b> <i>Funds received from the post LSVT VAT Shelter arrangements, partly used to contribute towards the future financing of the capital programme</i>	1,207,869	26,060	-175,650	1,058,279	0	-162,960	895,319
<b><u>Fleming VAT Claim</u></b> <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	60,819	0	-2,000	58,819	0	-15,100	43,719
<b><u>Insurance</u></b> <i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	14,581	0	0	14,581	0	0	14,581
<b><u>Repairs and Maintenance</u></b>	45,079	-27,950	0	17,129	0	0	17,129

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	Balance at 31 March 2019 £	Budgeted to be added/taken in 2019/20 on Revenue £	Budgeted to be added/taken in 2019/20 on Capital £	Forecast Balance at 31 March 2020 £	Budgeted to be added/taken in 2020/21 on Revenue £	Budgeted to be added/taken in 2020/21 on Capital £	Forecast Balance at 31 March 2021 £
<i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>							
<b><u>Post LSVT</u></b> <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	<b>182,563</b>	-36,512	0	<b>146,051</b>	-36,512	0	<b>109,539</b>
<b><u>Restructuring Reserve</u></b> <i>To fund costs resulting from restructuring reviews</i>	<b>197,033</b>	-9,600	0	<b>187,433</b>	0	0	<b>187,433</b>
<b><u>Equipment Reserve</u></b> <i>To fund essential and urgent equipment requirements</i>	<b>81,608</b>	-27,910	-14,120	<b>39,578</b>	0	0	<b>39,578</b>
<b><u>Invest to Save Fund</u></b> <i>To fund future invest to save projects</i>	<b>231,831</b>	0	-230	<b>231,601</b>	0	0	<b>231,601</b>
<b><u>Planning Reserve</u></b> <i>To fund any future potential planning issues such as Planning Appeals</i>	<b>132,551</b>	-89,600	0	<b>42,951</b>	0	-14,500	<b>28,451</b>
<b><u>Housing Benefit Reserve</u></b> <i>To help meet the challenges facing the service in the coming years</i>	<b>100,000</b>	0	0	<b>100,000</b>	0	0	<b>100,000</b>
<b><u>Business Rates Volatility Reserve</u></b> <i>To provide some protection against business rates volatilities</i>	<b>1,682,000</b>	0	0	<b>1,682,000</b>	0	0	<b>1,682,000</b>

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	Balance at 31 March 2019 £	Budgeted to be added/taken in 2019/20 on Revenue £	Budgeted to be added/taken in 2019/20 on Capital £	Forecast Balance at 31 March 2020 £	Budgeted to be added/taken in 2020/21 on Revenue £	Budgeted to be added/taken in 2020/21 on Capital £	Forecast Balance at 31 March 2021 £
<b><u>New Homes Bonus Reserve</u></b> <i>To help support revenue and capital expenditure</i>	2,218,210	561,486	-371,470	2,408,226	653,302	-272,000	2,789,528
<b><u>Business Rates Growth Reserve</u></b> <i>Business rates growth used to support revenue expenditure or the capital programme.</i>	999,572	1,684,147	-1,381,940	1,301,779	1,105,519	-60,880	2,346,418
<b>Total Reserves for Longer Term Strategic or Corporate Items</b>	7,153,716	2,080,121	-1,945,410	7,288,427	1,722,309	-525,440	8,485,296
<b>Reserves for External Funding where Expenditure has yet to be Incurred</b>							
<b><u>Performance Reward Grant</u></b> <i>Performance Reward Grant received and used to fund associated projects</i>	67,577	-1,050	0	66,527	0	0	66,527
<b><u>Land Charges Reserve</u></b> <i>To fund any potential restitution claims for personal search fees</i>	51,117	0	0	51,117	0	0	51,117
<b><u>Pendle Hill User Reserve</u></b> <i>To fund improvement schemes on Pendle Hill</i>	24,421	-22,240	0	2,181	0	0	2,181
<b><u>Crime Reduction Partnership Reserve</u></b> <i>To fund cost of crime reduction initiatives</i>	39,102	-9,060	0	30,042	-14,340	0	15,702
<b><u>Up and Active Reserve</u></b> <i>To fund potential residual staffing costs</i>	12,588	0	0	12,588	0	0	12,588

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	Balance at 31 March 2019 £	Budgeted to be added/taken in 2019/20 on Revenue £	Budgeted to be added/taken in 2019/20 on Capital £	Forecast Balance at 31 March 2020 £	Budgeted to be added/taken in 2020/21 on Revenue £	Budgeted to be added/taken in 2020/21 on Capital £	Forecast Balance at 31 March 2021 £
<b><u>Housing Related Grants Reserve</u></b> <i>Residual grant received, to be committed to future expenditure</i>	162,540	35,594	-115,000	83,134	-36,320	0	46,814
<b><u>Planning Policy Related Grants Reserve</u></b> <i>To provide short term capacity support when dealing with housing planning applications</i>	5,850	0	0	5,850	0	0	5,850
<b><u>Community Right to Bid/Challenge</u></b> <i>To fund any future costs under the Community Right to Bid and Community Right to Challenge Regulations</i>	45,124	0	0	45,124	0	0	45,124
<b><u>Grant Funded Sports Development</u></b> <i>To finance future Sports Development grant funded expenditure</i>	2,990	7,710	0	10,700	0	0	10,700
<b><u>Whalley Moor Reserve</u></b> <i>Grant received towards work at Whalley Moor Woodland</i>	4,520	0	0	4,520	0	0	4,520
<b><u>Individual Electoral Registration Reserve</u></b> <i>Grant received for the implementation of Individual Electoral Registration which will be used to fund this work</i>	16,590	0	0	16,590	0	0	16,590

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	Balance at 31 March 2019 £	Budgeted to be added/taken in 2019/20 on Revenue £	Budgeted to be added/taken in 2019/20 on Capital £	Forecast Balance at 31 March 2020 £	Budgeted to be added/taken in 2020/21 on Revenue £	Budgeted to be added/taken in 2020/21 on Capital £	Forecast Balance at 31 March 2021 £
<b><u>Neighbourhood Planning Reserve</u></b> <i>MHCLG Neighbourhood Planning Grant received to fund future related expenditure</i>	16,133	0	0	16,133	0	0	16,133
<b><u>Repossession Prevention Fund Reserve</u></b> <i>Ring-fenced MHCLG funded reserve to help prevent repossessions and homelessness.</i>	28,491	0	0	28,491	0	0	28,491
<b><u>Parish Grant Reserve</u></b> <i>PRG resources set aside to fund the Parish Grant Scheme</i>	36,819	0	0	36,819	0	0	36,819
<b><u>Rural Services Reserve</u></b> <i>Grant received with the purpose of supporting rural services</i>	84,050	0	-11,360	72,690	0	-72,690	0
<b><u>Custom and Self Build Register Grant Reserve</u></b> <i>Grant funding towards maintenance of a register of individuals, and associations of individuals, seeking to acquire serviced plots of land in the area</i>	73,750	15,000	0	88,750	0	0	88,750
<b><u>Brownfield Register Grant Reserve</u></b> <i>Grant funding towards preparation and maintenance of a register of</i>	23,817	0	0	23,817	0	0	23,817

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	Balance at 31 March 2019 £	Budgeted to be added/taken in 2019/20 on Revenue £	Budgeted to be added/taken in 2019/20 on Capital £	Forecast Balance at 31 March 2020 £	Budgeted to be added/taken in 2020/21 on Revenue £	Budgeted to be added/taken in 2020/21 on Capital £	Forecast Balance at 31 March 2021 £
<i>brownfield sites suitable for residential development.</i>							
<b><u>Flood Resilience Grant Reserve</u></b> <i>Grant funding relating to residual Flood Resilience Grants</i>	0	0	0	0	0	0	0
<b><u>EU Exit Funding Reserve</u></b> <i>Grant funding relating to impacts in respect of the EU Exit</i>	17,484	34,970	0	52,454	0	0	52,454
<b><u>Cyber Resilience Grant Reserve</u></b> <i>Grant funding in respect of Cyber Resilience work</i>	10,600	-10,600	0	0	0	0	0
<b><u>Pendle Hill Landscape Partnership Reserve</u></b> <i>To fund schemes in respect of the Pendle Hill Landscape Partnership</i>	20,000	-20,000	0	0	0	0	0
<b><u>Housing Benefits New Burden Grants Reserve</u></b> <i>Grant income to support new burdens in respect of Housing Benefits</i>	11,983	-7,314	0	4,669	0	0	4,669
<b><u>LCTS New Burdens Grant Reserve</u></b> <i>Grant income to support new burdens in respect of Localised Council Tax Support</i>	26,370	-1,600	-18,000	6,770	0	0	6,770
<b>Total Reserves for External Funding where Expenditure has yet to be Incurred</b>	781,916	21,410	-144,360	658,966	-50,660	-72,690	535,616

**SPECIAL POLICY & FINANCE COMMITTEE  
EARMARKED RESERVES**

	<b>Balance at 31 March 2019</b> £	<b>Budgeted to be added/taken in 2019/20 on Revenue</b> £	<b>Budgeted to be added/taken in 2019/20 on Capital</b> £	<b>Forecast Balance at 31 March 2020</b> £	<b>Budgeted to be added/taken in 2020/21 on Revenue</b> £	<b>Budgeted to be added/taken in 2020/21 on Capital</b> £	<b>Forecast Balance at 31 March 2021</b> £
<b>Total of all Earmarked Reserves</b>	<b>9,272,065</b>	<b>2,020,951</b>	<b>-2,172,540</b>	<b>9,120,476</b>	<b>1,707,099</b>	<b>-755,340</b>	<b>10,072,235</b>



**SPECIAL POLICY & FINANCE COMMITTEE  
MAIN BUDGET VARIANCES 2019/20 OE TO 2020/21 OE**

Description	Variance Original Estimate 2019/20 to DRAFT Original Estimate 2020/21
<b>COMMUNITY SERVICES COMMITTEE</b>	
<b><u>VARIOUS: Capital</u></b> Increases to depreciation charges relating to various assets in particular the development of the new facilities at the Edisford Sports Complex and the revaluation of the Castle Museum.	55,620
<b><u>PCADM: Public Conveniences</u></b> Various repairs and maintenance jobs are required to public conveniences including the external redecoration of Whalley and Slaidburn premises and replacement flooring at both Dunsop Bridge and Ribchester toilets.	8,000
<b><u>VARIOUS: NNDR</u></b> Increases to NNDR payable across various council sites. This includes the revaluation of the Castle Museum and a decrease or ending in transitional relief currently received.	7,120
<b><u>RPOOL: Ribblesdale Pool</u></b> An increase in the estimate is required as an arrangement has been entered into for an external agency to deliver Parent and Child lessons.	6,030
<b><u>RPOOL: Ribblesdale Pool</u></b> A budget is required for estimated income from the delivery of Parent and Child lessons.	-12,770
<b><u>Inflation</u></b>	70,060
<b>ECONOMIC DEVELOPMENT COMMITTEE</b>	
<b><u>INDDV - Economic Development</u></b> Increase in support service costs mainly due to an increase in estimated time to be spent on economic development activities by officers of the Economic Development and Planning Services.	13,220
<b><u>INDDV - Economic Development</u></b> Depreciation charge on the planned expenditure for gateway signs at Whalley, Longridge and Clitheroe.	6,670
<b><u>Inflation</u></b>	1,040
<b>HEALTH AND HOUSING COMMITTEE</b>	
<b><u>CTBEN - Localised Council Tax Support Admin</u></b> <b><u>HGBEN - Housing Benefits</u></b> <b><u>UCRED - Universal Credit</u></b> Estimated decreases in Housing Benefits, Local Council Tax Support and Universal Credit administration funding to be received from Central Government in 2020/21, based on the general trend of reductions in administration grant allocations in recent years. The actual 2020/21 administration grant funding allocations to be received from Central Government will be confirmed in due course.	14,600
<b><u>CLMKT - Clitheroe Market</u></b> Estimated increase in depreciation charges, based on the increased value of the market assets as a result of the Clitheroe Market Improvements works in 2019/20.	12,350
<b><u>CLMKT - Clitheroe Market</u></b> There will be no stalls income in 2020/21, as a result of the stalls being	6,960

**SPECIAL POLICY & FINANCE COMMITTEE  
MAIN BUDGET VARIANCES 2019/20 OE TO 2020/21 OE**

Description	Variance Original Estimate 2019/20 to DRAFT Original Estimate 2020/21
removed from the market bull ring in early 2020, partly offset by an estimated increase in pitches income, as some current stallholders may remain as pitch traders.	
<p><b><u>CLDCY - Closed Churchyards</u></b> The costs of grounds maintenance work on closed churchyards that the Council has responsibility for are being charged to a new Closed Churchyards cost centre included in this Committee's revenue account. The costs were previously charged to the Community Services Committee revenue account. Consequently, £9,220 of budget is to be transferred from the Community Services Committee to this Committee in 2020/21 to reflect where grounds maintenance work costs are now charged.</p>	9,220
<p><b><u>HSTRA - Housing Strategy</u></b> New budget introduced for the estimated annual rent income for the two new Longridge affordable rent properties purchased and leased to a registered housing provider.</p>	-6,200
<b><u>Inflation</u></b>	-1,690

**SPECIAL POLICY & FINANCE COMMITTEE  
MAIN BUDGET VARIANCES 2019/20 OE TO 2020/21 OE**

Description	Variance Original Estimate 2019/20 to DRAFT Original Estimate 2020/21
<b>PLANNING AND DEVELOPMENT COMMITTEE</b>	
<p><b><u>PLANG: Planning Control &amp; Enforcement</u></b> The original estimate at 2019/20 included depreciation costs relating to the planning portal capital scheme. It is now anticipated that the scheme will not be completed in 2019/20 and as year one depreciation costs are charged in the financial year after completion of the scheme, the estimate has been reduced for 2020/21 by <b>-£5k</b>.</p> <p>The planning fee income estimate is based on a 3-year average. Following analysis of income received in the 2016/17-2018/19 financial years the budget has been reduced by <b>£12k</b> for the 2020/21 estimate.</p>	7,370
<p><b><u>Support Service Costs</u></b> There is a net increase in support service costs charged to the committee following changes to various departmental cost allocations.</p>	9,270
<p><b><u>ECPLA: Economic Development and Planning Department</u></b> As part of the pension contributions there has historically been a payment towards the recovery of the deficit on the pension scheme. However, the latest actuarial valuation has indicated a surplus position for this council and has resulted in a switch from additional contributions to the pension scheme, to the council now receiving a share of the surplus indicated in the last actuarial valuation.</p> <p>This has resulted in a variance of -£35k for this department which has offset other inflationary increases relating to departmental salary, national insurance and superannuation costs of £17k.</p>	-17,690
<b><u>Inflation</u></b>	-14,920
<b>POLICY AND FINANCE COMMITTEE</b>	
<p><b><u>Superannuation</u></b> As part of the council's pension contributions there has historically been a payment towards the recovery of the deficit on the pension scheme. However, the latest actuarial valuation has indicated a surplus position for this council and this has resulted in a switch from additional contributions to the pension scheme, to the council now receiving a share of the surplus indicated in the last actuarial valuation.</p>	-120,140
<p><b><u>Depreciation and Impairment</u></b> Movements in Capital charges.</p>	23,450
<p><b><u>FMISC: Finance Miscellaneous</u></b> A reduction in membership of the Lancashire Business Rates Pool for 2020/21 reduces the amount of income the council receives for administering the scheme. This is a result of the movement back to the previous 50% business rates pool, following the Government's withdrawal of all pilot schemes.</p>	10,000
<p><b><u>Support Service Costs</u></b> There is a net decrease in support service costs charged to the committee following changes to various departmental cost allocations.</p>	-41,060

**SPECIAL POLICY & FINANCE COMMITTEE  
MAIN BUDGET VARIANCES 2019/20 OE TO 2020/21 OE**

Description	Variance Original Estimate 2019/20 to DRAFT Original Estimate 2020/21
<p><b><u>COSDM: Cost of Democracy</u></b> The software maintenance budget within this cost centre has been increased for the annual revenue cost of the modgov system.</p>	7,250
<p><b><u>Inflation</u></b> Provision for inflationary increases excluding the superannuation adjustment detailed above.</p>	151,520

**SPECIAL POLICY AND FINANCE COMMITTEE  
PARISH PRECPTS 2020/21**

Band D Equivalent Tax Base	Parish	Parish Precept 2020/21 £	Parish Precept 2019/20 £	Increase / (Decrease) £	Band D Equivalent Tax 2020/21 £	Band D Equivalent Tax 2019/20 £	Increase/ Decrease in Band D Tax £	Increase/ Decrease in Band D Tax %
452	Aighton, Bailey & Chaigley	5,600	5,350	250	12.39	12.10	0.29	2.4%
198	Balderstone	3,000	2,500	500	15.15	12.63	2.52	20.0%
554	Barrow	12,935	11,132	1,803	23.35	23.00	0.35	1.5%
205	Bashall Eaves, Great Mitton & Little Mitton	1,624	1,624	0	7.92	8.00	-0.08	-1.0%
2,149	Billington & Langho	21,960	21,300	660	10.22	9.95	0.27	2.7%
487	Bolton by Bowland, Gisburn Forest & Sawley	33,000	18,172	14,828	67.76	36.86	30.90	83.8%
75	Bowland Forest (High)	2,167	2,167	0	28.89	29.68	-0.79	-2.7%
80	Bowland Forest (Low)	1,200	1,200	0	15.00	15.19	-0.19	-1.3%
83	Bowland with Leagram	900	810	90	10.84	10.13	0.71	7.0%
393	Chatburn	11,372	11,372	0	28.94	30.01	-1.07	-3.6%
500	Chipping	8,280	8,280	0	16.56	16.90	-0.34	-2.0%
520	Clayton le Dale	3,000	3,000	0	5.77	5.84	-0.07	-1.2%
5,549	Clitheroe	116,845	113,662	3,183	21.06	21.16	-0.10	-0.5%
47	Dinckley	0	0	0	0.00	0.00	0.00	-
51	Downham	0	0	0	0.00	0.00	0.00	-
103	Dutton	500	500	0	4.85	4.72	0.13	2.8%
226	Gisburn	5,275	5,275	0	23.34	24.20	-0.86	-3.6%
363	Grindleton	8,000	7,500	500	22.04	20.72	1.32	6.4%
48	Horton	0	0	0	0.00	0.00	0.00	-
75	Hothersall	1,000	1,000	0	13.33	14.49	-1.16	-8.0%
2,867	Longridge	76,250	73,072	3,178	26.60	26.06	0.54	2.1%
9	Mearley	0	0	0	0.00	0.00	0.00	-
981	Mellor	24,000	18,168	5,832	24.46	18.26	6.20	34.0%
20	Newsholme	0	0	0	0.00	0.00	0.00	-

**SPECIAL POLICY AND FINANCE COMMITTEE  
PARISH PRECPTS 2020/21**

<b>Band D Equivalent Tax Base</b>	<b>Parish</b>	<b>Parish Precept 2020/21 £</b>	<b>Parish Precept 2019/20 £</b>	<b>Increase / (Decrease) £</b>	<b>Band D Equivalent Tax 2020/21 £</b>	<b>Band D Equivalent Tax 2019/20 £</b>	<b>Increase/ Decrease in Band D Tax £</b>	<b>Increase/ Decrease in Band D Tax %</b>
143	Newton	2,000	2,500	-500	13.99	17.61	-3.62	-20.6%
105	Osbaldeston	1,000	1,000	0	9.52	9.09	0.43	4.7%
46	Paythorne	0	0	0	0.00	0.00	0.00	-
107	Pendleton	1,500	1,000	500	14.02	9.43	4.59	48.7%
284	Ramsgreave	3,000	2,500	500	10.56	8.93	1.63	18.3%
571	Read	10,449	9,806	643	18.30	17.45	0.85	4.9%
658	Ribchester	9,826	7,826	2,000	14.93	11.89	3.04	25.6%
235	Rimington & Middop	6,500	6,500	0	27.66	26.86	0.80	3.0%
523	Sabden	15,420	15,420	0	29.48	29.60	-0.12	-0.4%
190	Salesbury	4,800	4,800	0	25.26	25.13	0.13	0.5%
497	Simonstone	8,400	8,400	0	16.90	16.94	-0.04	-0.2%
153	Slaidburn & Easington	2,050	2,050	0	13.40	13.85	-0.45	-3.2%
170	Thornley with Wheatley	1,500	1,500	0	8.82	8.88	-0.06	-0.7%
37	Twiston	0	0	0	0.00	0.00	0.00	-
454	Waddington	13,500	13,500	0	29.74	29.74	0.00	0.0%
364	West Bradford	7,307	7,129	178	20.07	19.37	0.70	3.6%
1,745	Whalley	58,320	36,895	21,425	33.42	21.72	11.70	53.9%
1,081	Wilpshire	18,350	18,415	-65	16.98	17.02	-0.04	-0.2%
181	Wiswell	6,751	5,439	1,312	37.30	29.72	7.58	25.5%
44	Worston	0	0	0	0.00	0.00	0.00	-
<b>23,623</b>		<b>507,581</b>	<b>450,764</b>	<b>56,817</b>				