

meeting date: 3 MARCH 2020

title: REVENUE BUDGET 2020/21 AND CAPITAL PROGRAMME 2020/21 –
2024/25 AND SETTING THE COUNCIL TAX FOR EACH CATEGORY OF
DWELLING IN THE COUNCIL'S AREA FOR 2020/21

submitted by: DIRECTOR OF RESOURCES

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1. PURPOSE

- 1.1. To set the budget for 2020/21 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 4 February 2020, Policy and Finance Committee considered the revised capital programme for 2019/20 and also a five year capital programme for the years 2020/21 to 2024/25.
- 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 2019/20 totalling £3,562,870 and a capital programme for the years 2020/21 to 2024/25 totalling £6,782,820 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

2019/20 Revised

- 5.1. We originally budgeted to spend £5.093 million (before use of balances). The revised estimate is that net expenditure will be lower at £5.155 million. Details are shown in Annex 3. The revised budget in summary for 2019/20 is:

	Revised Estimate 2019/20 £000
Net Committee Budget	8,061
Capital Adjustments	
Less Depreciation (included in above)	-933
Add Minimum Revenue Provision (MRP)	126
Total Expenditure	7,254
Other Items	
External Interest Payable	6
Interest Earned	-100
New Homes Bonus	-1,666
Income from Business Rates	-2,360
Earmarked Reserves	
Transfer From/To Various Funds	2,021
Net Expenditure	5,155
Adjustment to Balances to Get to Agreed Budget	-156
Agreed budget for year	4,999

5.2. We estimate this will leave general fund balances at 31 March 2020 of £2.316m.

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 4 February 2020. The Final Settlement was announced on 6 February 2020.

Final Settlement Funding Assessment	£1.440600m
Consists of:	
Revenue Support Grant	0
Business Rates Baseline	1.354393m
Tariff	-4.311424m
Rural Services Delivery Grant	0.107921m
New Homes Bonus Allocation	1.770952m

Forecast Budget 2020/21

5.4. Policy and Finance Committee have recommended a net budget of £5,114,168. Details are shown in Annex 3. This results in the following budget requirement:

	£
Borough Requirement	5,114,168
Parish Council Requirements	507,581
Total Borough and Parish Requirements	5,621,749

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 2020/21. 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 2019	2,472
Estimated Amount to be taken from Balances in 2019/20	-156
Estimated Balances in Hand 31 March 2020	2,316
Estimated Amount to be taken from Balances in 2020/21	-143
Estimated Balances in Hand 31 March 2021	2,173

- 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 2020/21 we estimate that £142,812 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 2019/20 and 2020/21 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 2020 of £860,748 and a surplus of £455,984 for Business Rates. The equivalent shares of these surpluses will be paid to the appropriate authorities in 2020/21.

8. RECOMMENDED THAT COUNCIL

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

- a) The revised revenue estimates for 2019/20 and the revenue estimates for 2020/21.
- b) The revised capital programme for 2019/20 and the five year capital programme for 2020/21 to 2024/25.

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 2020/21, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), as its council tax base for the year.

- a) 23,623 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	452
Balderstone	198
Barrow	554
Bashall Eaves, Great Mitton & Little Mitton	205
Billington & Langho	2,149
Bolton by Bowland, Gisburn Forest & Sawley	487
Bowland Forest (High)	75
Bowland Forest (Low)	80
Bowland with Leagram	83
Chatburn	393
Chipping	500
Clayton le Dale	520
Clitheroe	5,549
Dinckley	47
Downham	51
Dutton	103

Parish Area	Tax base
Gisburn	226
Grindleton	363
Horton	48
Hothersall	75
Longridge	2,867
Mearley	9
Mellor	981
Newsholme	20
Newton	143
Osbaldeston	105
Paythorne	46
Pendleton	107
Ramsgreave	284
Read	571
Ribchester	658
Rimington & Middop	235
Sabden	523
Salesbury	190
Simonstone	497
Slaidburn & Easington	153
Thornley with Wheatley	170
Twiston	37
Waddington	454
West Bradford	364
Whalley	1,745
Wilpshire	1,081
Wiswell	181
Worston	44
	23,623

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 2020/21 (excluding Parish precepts) is £3,677,865.
- 8.5. Calculate the following amounts for 2020/21, in accordance with Sections 31 to 36 of the Act:
- a) £27,737,744 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) £22,197,905 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

- c) £4,185,446 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) £177.18 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) £507,581 Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- f) £155.69 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	168.08
Balderstone	170.84
Barrow	179.04
Bashall Eaves, Great Mitton & Little Mitton	163.61
Billington & Langho	165.91
Bolton by Bowland, Gisburn Forest & Sawley	223.45
Bowland Forest Higher	184.58
Bowland Forest Lower	170.69
Bowland with Leagram	166.53
Chatburn	184.63
Chipping	172.25
Clayton le Dale	161.46
Clitheroe	176.75
Dinckley	155.69
Downham	155.69
Dutton	160.54
Gisburn	179.03
Grindleton	177.73
Horton	155.69
Hothersall	169.02

Parts of the Council's area	£
Longridge	182.29
Mearley	155.69
Mellor	180.15
Newsholme	155.69
Newton	169.68
Osbaldeston	165.21
Paythorne	155.69
Pendleton	169.71
Ramsgreave	166.25
Read	173.99
Ribchester	170.62
Rimington & Middop	183.35
Sabden	185.17
Salesbury	180.95
Simonstone	172.59
Slaidburn & Easington	169.09
Thornley with Wheatley	164.51
Twiston	155.69
Waddington	185.43
West Bradford	175.76
Whalley	189.11
Wilpshire	172.67
Wiswell	192.99
Worston	155.69

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	112.05	130.73	149.40	168.08	205.43	242.79	280.13	336.16
Balderstone	113.89	132.87	151.86	170.84	208.81	246.77	284.73	341.68
Barrow	119.36	139.25	159.15	179.04	218.83	258.62	298.40	358.08

	VALUATION BANDS							
	A £	B £	C £	D £	E £	F £	G £	H £
Bashall Eaves, Great Mitton & Little Mitton	109.07	127.25	145.43	163.61	199.97	236.33	272.68	327.22
Billington & Langho	110.60	129.04	147.47	165.91	202.78	239.65	276.51	331.82
Bolton by Bowland, Gisburn Forest & Sawley	148.96	173.79	198.62	223.45	273.11	322.77	372.41	446.90
Bowland Forest Higher	123.05	143.56	164.07	184.58	225.60	266.62	307.63	369.16
Bowland Forest Lower	113.79	132.76	151.72	170.69	208.62	246.56	284.48	341.38
Bowland with Leagram	111.02	129.52	148.03	166.53	203.54	240.55	277.55	333.06
Chatburn	123.08	143.60	164.11	184.63	225.66	266.69	307.71	369.26
Chipping	114.83	133.97	153.11	172.25	210.53	248.81	287.08	344.50
Clayton le Dale	107.64	125.58	143.52	161.46	197.34	233.22	269.10	322.92
Clitheroe	117.83	137.47	157.11	176.75	216.03	255.31	294.58	353.50
Dinckley	103.79	121.09	138.39	155.69	190.29	224.89	259.48	311.38
Downham	103.79	121.09	138.39	155.69	190.29	224.89	259.48	311.38
Dutton	107.02	124.86	142.70	160.54	196.22	231.90	267.56	321.08
Gisburn	119.35	139.24	159.14	179.03	218.82	258.60	298.38	358.06
Grindleton	118.48	138.23	157.98	177.73	217.23	256.73	296.21	355.46
Horton	103.79	121.09	138.39	155.69	190.29	224.89	259.48	311.38
Hothersall	112.68	131.46	150.24	169.02	206.58	244.14	281.70	338.04
Longridge	121.52	141.78	162.03	182.29	222.80	263.31	303.81	364.58
Mearley	103.79	121.09	138.39	155.69	190.29	224.89	259.48	311.38
Mellor	120.10	140.11	160.13	180.15	220.19	260.22	300.25	360.30
Newsholme	103.79	121.09	138.39	155.69	190.29	224.89	259.48	311.38
Newton	113.12	131.97	150.83	169.68	207.39	245.10	282.80	339.36
Osbaldeston	110.14	128.49	146.85	165.21	201.93	238.64	275.35	330.42
Paythorne	103.79	121.09	138.39	155.69	190.29	224.89	259.48	311.38
Pendleton	113.14	131.99	150.85	169.71	207.43	245.14	282.85	339.42
Ramsgreave	110.83	129.30	147.78	166.25	203.20	240.14	277.08	332.50
Read	115.99	135.32	154.66	173.99	212.66	251.32	289.98	347.98
Ribchester	113.74	132.70	151.66	170.62	208.54	246.46	284.36	341.24
Rimington & Middop	122.23	142.60	162.98	183.35	224.10	264.84	305.58	366.70
Sabden	123.44	144.02	164.59	185.17	226.32	267.47	308.61	370.34
Salesbury	120.63	140.74	160.84	180.95	221.16	261.38	301.58	361.90
Simonstone	115.06	134.23	153.41	172.59	210.95	249.30	287.65	345.18
Slaidburn & Easington	112.72	131.51	150.30	169.09	206.67	244.25	281.81	338.18
Thornley with Wheatley	109.67	127.95	146.23	164.51	201.07	237.63	274.18	329.02
Twiston	103.79	121.09	138.39	155.69	190.29	224.89	259.48	311.38
Waddington	123.62	144.22	164.83	185.43	226.64	267.85	309.05	370.86
West Bradford	117.17	136.70	156.23	175.76	214.82	253.88	292.93	351.52

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Whalley	126.07	147.08	168.10	189.11	231.14	273.16	315.18	378.22
Wilpshire	115.11	134.30	153.48	172.67	211.04	249.42	287.78	345.34
Wiswell	128.66	150.10	171.55	192.99	235.88	278.77	321.65	385.98
Worston	103.79	121.09	138.39	155.69	190.29	224.89	259.48	311.38

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 2020/21 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 £
933.55	1,089.14	1,244.73	1,400.32	1,711.50	2,022.68	2,333.87	2,800.64

- 8.7. Note, that for 2020/21 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 £
140.97	164.46	187.96	211.45	258.44	305.43	352.42	422.90

- 8.8. Note, that for 2020/21 Lancashire Combined Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands							
A £	B £	C £	D £	E £	F £	G £	H £
47.24	55.11	62.99	70.86	86.61	102.35	118.10	141.72

- 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 2020/21 for each of the categories of dwellings shown below:

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Aighton, Bailey & Chaigley	1,233.81	1,439.44	1,645.08	1,850.71	2,261.98	2,673.25	3,084.52	3,701.42
Balderstone	1,235.65	1,441.58	1,647.54	1,853.47	2,265.36	2,677.23	3,089.12	3,706.94
Barrow	1,241.12	1,447.96	1,654.83	1,861.67	2,275.38	2,689.08	3,102.79	3,723.34
Bashall Eaves, Great Mitton & Little Mitton	1,230.83	1,435.96	1,641.11	1,846.24	2,256.52	2,666.79	3,077.07	3,692.48
Billington & Langho	1,232.36	1,437.75	1,643.15	1,848.54	2,259.33	2,670.11	3,080.90	3,697.08
Bolton by Bowland, Gisburn Forest & Sawley	1,270.72	1,482.50	1,694.30	1,906.08	2,329.66	2,753.23	3,176.80	3,812.16
Bowland Forest (High)	1,244.81	1,452.27	1,659.75	1,867.21	2,282.15	2,697.08	3,112.02	3,734.42
Bowland Forest (Low)	1,235.55	1,441.47	1,647.40	1,853.32	2,265.17	2,677.02	3,088.87	3,706.64
Bowland with Leagram	1,232.78	1,438.23	1,643.71	1,849.16	2,260.09	2,671.01	3,081.94	3,698.32
Chatburn	1,244.84	1,452.31	1,659.79	1,867.26	2,282.21	2,697.15	3,112.10	3,734.52
Chipping	1,236.59	1,442.68	1,648.79	1,854.88	2,267.08	2,679.27	3,091.47	3,709.76
Clayton le Dale	1,229.40	1,434.29	1,639.20	1,844.09	2,253.89	2,663.68	3,073.49	3,688.18
Clitheroe	1,239.59	1,446.18	1,652.79	1,859.38	2,272.58	2,685.77	3,098.97	3,718.76
Dinckley	1,225.55	1,429.80	1,634.07	1,838.32	2,246.84	2,655.35	3,063.87	3,676.64
Downham	1,225.55	1,429.80	1,634.07	1,838.32	2,246.84	2,655.35	3,063.87	3,676.64
Dutton	1,228.78	1,433.57	1,638.38	1,843.17	2,252.77	2,662.36	3,071.95	3,686.34
Gisburn	1,241.11	1,447.95	1,654.82	1,861.66	2,275.37	2,689.06	3,102.77	3,723.32
Grindleton	1,240.24	1,446.94	1,653.66	1,860.36	2,273.78	2,687.19	3,100.60	3,720.72
Horton	1,225.55	1,429.80	1,634.07	1,838.32	2,246.84	2,655.35	3,063.87	3,676.64
Hothersall	1,234.44	1,440.17	1,645.92	1,851.65	2,263.13	2,674.60	3,086.09	3,703.30
Longridge	1,243.28	1,450.49	1,657.71	1,864.92	2,279.35	2,693.77	3,108.20	3,729.84
Mearley	1,225.55	1,429.80	1,634.07	1,838.32	2,246.84	2,655.35	3,063.87	3,676.64
Mellor	1,241.86	1,448.82	1,655.81	1,862.78	2,276.74	2,690.68	3,104.64	3,725.56

VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £
Newsholme	1,225.55	1,429.80	1,634.07	1,838.32	2,246.84	2,655.35	3,063.87	3,676.64
Newton	1,234.88	1,440.68	1,646.51	1,852.31	2,263.94	2,675.56	3,087.19	3,704.62
Osbaldeston	1,231.90	1,437.20	1,642.53	1,847.84	2,258.48	2,669.10	3,079.74	3,695.68
Paythorne	1,225.55	1,429.80	1,634.07	1,838.32	2,246.84	2,655.35	3,063.87	3,676.64
Pendleton	1,234.90	1,440.70	1,646.53	1,852.34	2,263.98	2,675.60	3,087.24	3,704.68
Ramsgreave	1,232.59	1,438.01	1,643.46	1,848.88	2,259.75	2,670.60	3,081.47	3,697.76
Read	1,237.75	1,444.03	1,650.34	1,856.62	2,269.21	2,681.78	3,094.37	3,713.24
Ribchester	1,235.50	1,441.41	1,647.34	1,853.25	2,265.09	2,676.92	3,088.75	3,706.50
Rimington & Middop	1,243.99	1,451.31	1,658.66	1,865.98	2,280.65	2,695.30	3,109.97	3,731.96
Sabden	1,245.20	1,452.73	1,660.27	1,867.80	2,282.87	2,697.93	3,113.00	3,735.60
Salesbury	1,242.39	1,449.45	1,656.52	1,863.58	2,277.71	2,691.84	3,105.97	3,727.16
Simonstone	1,236.82	1,442.94	1,649.09	1,855.22	2,267.50	2,679.76	3,092.04	3,710.44
Slaidburn & Easington	1,234.48	1,440.22	1,645.98	1,851.72	2,263.22	2,674.71	3,086.20	3,703.44
Thornley with Wheatley	1,231.43	1,436.66	1,641.91	1,847.14	2,257.62	2,668.09	3,078.57	3,694.28
Twiston	1,225.55	1,429.80	1,634.07	1,838.32	2,246.84	2,655.35	3,063.87	3,676.64
Waddington	1,245.38	1,452.93	1,660.51	1,868.06	2,283.19	2,698.31	3,113.44	3,736.12
West Bradford	1,238.93	1,445.41	1,651.91	1,858.39	2,271.37	2,684.34	3,097.32	3,716.78
Whalley	1,247.83	1,455.79	1,663.78	1,871.74	2,287.69	2,703.62	3,119.57	3,743.48
Wilpshire	1,236.87	1,443.01	1,649.16	1,855.30	2,267.59	2,679.88	3,092.17	3,710.60
Wiswell	1,250.42	1,458.81	1,667.23	1,875.62	2,292.43	2,709.23	3,126.04	3,751.24
Worston	1,225.55	1,429.80	1,634.07	1,838.32	2,246.84	2,655.35	3,063.87	3,676.64

DIRECTOR OF RESOURCES

C2-20/JP/AC
21 FEBRUARY 2020

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 2018/19 is shown alongside the current and future years that are recommended for approval:

Capital Expenditure					
Committee	Actual Capital Expenditure for 2018/19 £	Forecast Capital Expenditure for 2019/20 £	Forecast Capital Expenditure for 2020/21 £	Forecast Capital Expenditure for 2021/22 £	Forecast Capital Expenditure for 2022/23 £
Community Services Committee	723,041	1,800,520	1,614,000	578,200	626,900
Economic Development Committee	0	20,000	81,750	0	0
Health and Housing Committee	448,630	1,254,710	513,940	424,300	397,000
Planning and Development Committee	3,775	324,920	40,920	0	0
Policy and Finance Committee	100,797	162,720	204,530	0	226,600
Total	1,276,243	3,562,870	2,455,140	1,002,500	1,250,500

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 2018/19 financial year, and those forecast for the current and future years.

Financing Costs				
2018/19 Actual £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £	Forecast for 2022/23 £
44,547	32,601	48,687	70,468	67,613

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				
2018/19 Actual £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £	Forecast for 2022/23 £
8,471,213	9,476,295	9,360,005	8,742,784	8,536,589

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 2018/19 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 with regard to most elements of local government finance.

Financing Costs to Net Revenue Stream				
2018/19 Actual	Forecast for 2019/20	Forecast for 2020/21	Forecast for 2021/22	Forecast for 2022/23
0.5%	0.3%	0.5%	0.8%	0.8%

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

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				
2018/19 Actual £'000	Forecast for 2019/20 £'000	Forecast for 2020/21 £'000	Forecast for 2021/22 £'000	Forecast for 2022/23 £'000
3,394	3,442	4,555	4,415	4,277

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					
	2018/19 Actual £	Forecast for 2019/20 £	Forecast for 2020/21 £	Forecast for 2021/22 £	Forecast for 2022/23 £
PWLB Borrowing	136,377	125,983	115,590	105,197	95,000

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 2018/19, nor are any difficulties envisaged for 2019/20 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			
	2020/21 £'000	2021/22 £'000	2022/23 £'000
Borrowing	15,913	15,703	15,495
Other Long-Term Liabilities	0	0	0
Total	15,913	15,703	15,495

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 a self-imposed limit.

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

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

PRUDENTIAL CODE

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			
	2020/21 £'000	2021/22 £'000	2022/23 £'000
Borrowing	2,738	2,528	2,320
Other Long Term Liabilities	0	0	0
Total	2,738	2,528	2,320

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 2020/21.

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 2020/21 – 2024/25

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£	£
COMMUNITY SERVICES COMMITTEE						
Play Area Improvements	40,000	40,000	45,000	45,000	46,000	216,000
Replacement of Refuse Wheelie Bins	13,000	13,000	13,000	14,000	15,000	68,000
Play Area Improvements (Moved from 2019/20)	28,000					28,000
Edisford Sports Complex (Moved from 2019/20)	30,880					30,880
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
Castle Keep Lime Repointing Works and Repairs (Subject to External Funding)		293,200				293,200
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

FIVE YEAR CAPITAL PROGRAMME 2020/21 – 2024/25

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£	£
Replacement of Kubota Mower PN09 KXP			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 Ford Tail Lift Truck PE60 KJJ with high Top Transit Van			20,000			20,000
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
Replacement of Concrete Bays to Rear of Depot				25,600		25,600
Replacement Kubota Mower PO15 HYJ				21,000		21,000
Replacement Drain Jetter - trailer mounted					18,000	18,000
Replacement of Refuse Collection Vehicle VN65 WHR					253,000	253,000

FIVE YEAR CAPITAL PROGRAMME 2020/21 – 2024/25

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£	£
Refurbishment of Mardale Playing Field Changing Rooms (Subject to receipt of external funding)					76,000	76,000
Replacement of 2 Scag Mowers (rvbc014 + rvbc015) and 1 Scag 4x4 Mower (rvbc016)					22,000	22,000
Replacement of Kubota Mower PO67 BNV					21,000	21,000
Total Community Services Committee	1,614,000	578,200	626,900	510,800	451,000	3,780,900

HEALTH AND HOUSING COMMITTEE						
Disabled Facilities Grants (external funding expected to cover all spend - TBC)	347,000	347,000	347,000	347,000	347,000	1,735,000
Landlord/Tenant Grants	50,000	50,000	50,000	50,000	50,000	250,000
Landlord/Tenant Grants (Moved from 2019/20)	59,940					59,940
Clitheroe Market Improvements (Moved from 2019/20)	57,000					57,000
Replacement of Pest Control Van (PK13 FJP)		13,800				13,800
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	513,940	424,300	397,000	509,600	397,000	2,241,840

FIVE YEAR CAPITAL PROGRAMME 2020/21 – 2024/25

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£	£

ECONOMIC DEVELOPMENT COMMITTEE						
Economic Development Initiatives	81,750					81,750
Total Economic Development Committee	81,750	0	0	0	0	81,750

PLANNING AND DEVELOPMENT COMMITTEE						
Replacement of Plotter/Copier in the Planning Section <i>(Moved from 2019/20)</i>	14,500					14,500
Introduction of Planning Portal Link to the Planning Application System and Planning System Update <i>(Moved from 2019/20)</i>	26,420					26,420
Total Planning and Development Committee	40,920	0	0	0	0	40,920

POLICY AND FINANCE COMMITTEE						
Dewhurst Road, Langho – Resurfacing Works	65,800					65,800
Network Infrastructure	30,000					30,000
Redesign of Corporate Website <i>(Moved from 2019/20)</i>	30,000					30,000

FIVE YEAR CAPITAL PROGRAMME 2020/21 – 2024/25

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£	£
Lift Replacement at Council Offices, Clitheroe (Moved from 2019/20)	78,730					78,730
Brookfoot Footbridge, Ribchester – Replacement of Bridge			110,000			110,000
ICT Infrastructure Refresh			116,600			116,600
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
Replacement PCs					66,000	66,000
Firewall Refresh					22,080	22,080
Total Policy and Finance Committee	204,530	0	226,600	118,200	88,080	637,410
Total for all Committees	2,455,140	1,002,500	1,250,500	1,138,600	936,080	6,782,820

FIVE YEAR CAPITAL PROGRAMME 2020/21 – 2024/25

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£	£
FINANCED FROM:						
Disabled Facilities Grant Funding	-347,000	-347,000	-347,000	-347,000	-347,000	-1,735,000
VAT Shelter Earmarked Reserve	-162,960	-50,000	-50,000	-50,000	0	-312,960
Capital Earmarked Reserve	-114,210	0	0	-401,982	0	-516,192
New Homes Bonus Earmarked Reserve	-272,000	-272,000	0	-306,637	0	-850,637
Planning Earmarked Reserve	-14,500					-14,500
Rural Services Delivery Grant Earmarked Reserve	-72,690					-72,690
Potential External Funding for Castle Keep Repointing	0	-222,240	0	0	0	-222,240
Potential External Funding for Mardale Playing Field Changing Rooms	0	0	0	0	-30,000	-30,000
ICT Renewals Earmarked Reserve	-30,000	0	-24,241	0	-63,400	-117,641
Vehicle and Plant Renewal Earmarked Reserve	0	0	-37,500	-13,530	0	-51,030
Fleming VAT Earmarked Reserve	-15,100	0	-38,272	-5,451	0	-58,823
Wheeled Bins Earmarked Reserve	-13,000	-13,000	-13,000	-14,000	-15,000	-68,000
Business Rates Growth Earmarked Reserve	-60,880	0	-474,387	0	-480,680	-1,015,947
Usable Capital Receipts	-65,800	-98,260	-266,100	0	0	-430,160

FIVE YEAR CAPITAL PROGRAMME 2020/21 – 2024/25

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	3	£	£	£
Borrowing	-1,287,000	0	0	0	0	-1,287,000
	-2,455,140	-1,002,500	-1,250,500	-1,138,600	-936,080	-6,782,820

REVENUE BUDGET

	Original Estimate 2019/20 £	Revised Estimate 2019/20 £	Original Estimate 2020/21 £
Planning and Development	392,030	569,300	570,540
Community Services	4,024,030	4,062,310	4,205,110
Economic Development	288,990	298,350	311,360
Health and Housing	1,002,780	981,400	1,109,870
Policy and Finance	2,242,750	2,149,800	2,195,210
Committee Net Requirements	7,950,580	8,061,160	8,392,090
Capital Charges Adjustment			
- Remove Depreciation	-1,004,630	-933,220	-1,103,640
- Replace with Minimum Revenue Provision	126,062	126,075	117,667
Total Expenditure	7,072,012	7,254,015	7,406,117
External Interest - Payable	6,530	6,530	6,020
Interest - Earned	-100,000	-100,000	-75,000
New Homes Bonus	-1,666,486	-1,666,486	-1,758,302
Rural Services Delivery Grant	0	0	-107,921
Levy Account Surplus	-20,446	0	0
Contingency for Refuse Vehicles	0	0	50,000
Contingency for Feasibility Study Edisford Car Park	0	0	10,000
Business Rates			
- Retained Rates Income	-581,737	-581,737	-447,301
- Renewable Energy	-93,820	-93,820	-96,180
- Section 31 Grant for Business Rates	-1,636,295	-1,658,936	-1,252,043
- 5% of extra growth - risk reserve	29,555	33,174	0
-25% of extra growth - strategic growth fund	147,776	165,869	0
- 10% of Retained Levy – Payable to LCC	0	0	67,385
- Share of Business Rates Deficit/(Surplus) on Collection Fund	-224,211	-224,211	-252,894
Less Added to/(taken from) Earmarked Reserves			
- Relating to Planning & Development Committee			
Building Control Fee Earning	-15,290	-41,520	-16,150
Pendle Hill User Reserve	0	-22,240	0
Pendle Hill Landscape Partnership Reserve	0	-20,000	0
Planning Reserve	-11,200	-89,600	0
- Relating to Community Services Committee	0	0	0
Community Safety Partnership (re CRIME)	-14,060	-9,060	-14,340
Equipment Reserve	0	-6,170	0
Recreation Grants Reserve	0	-20,590	0
Exercise Referral Reserve	0	7,710	0
Refuse Collection Reserve	2,080	20,960	-8,910
Amenity Cleansing Reserve	0	-18,800	-4,920
Two Way Radio	1,500	0	0

REVENUE BUDGET

	Original Estimate 2019/20 £	Revised Estimate 2019/20 £	Original Estimate 2020/21 £
Food Festival Reserve	-14,120	-8,370	-5,460
Capital Reserve	0	24,510	0
<i>- Relating to Health and Housing Committee</i>			
Equipment Reserve	0	-4,840	0
Government Housing Grants	30,000	43,280	-36,320
Capital Reserve	10,610	7,580	0
<i>- Relating to Policy and Finance Committee</i>			
Elections	-90,000	-71,770	30,000
Repair and Maintenance Reserve	0	-27,950	0
Equipment Reserve	0	-16,900	0
Cyber Resilience Grant Reserve	0	-10,600	0
Capital Reserve	0	13,390	0
Performance Reward Grant	0	-1,050	0
ICT Equipment Reserve	0	-3,130	0
EU Exit Funding Reserve	0	34,970	0
LCTS New Burdens Grant Reserve	0	-1,600	0
Restructuring Reserve	0	-9,600	0
Add to VAT Shelter	0	26,060	0
Pensions Triennial Revaluation Reserve	50,540	24,410	38,700
Revaluation Reserve	2,150	-7,250	2,190
<i>- Corporate Movements in Earmarked Reserves</i>			
Added to New Homes Bonus Reserve	561,486	561,486	653,302
Business Rates Growth Reserve - Balance (Taken)/Added	1,683,218	1,684,147	1,105,519
Post LSVT Reserve (Pensions) - BWG	-36,512	-36,512	-36,512
General Balances	-93,896	-155,965	-142,812
Net Expenditure	4,999,384	4,999,384	5,114,168
Parish Precepts	450,764	450,764	507,581
Budget Requirement	5,450,148	5,450,148	5,621,749
Less Settlement Funding Assessment			
– Revenue Support Grant	0	0	0
– Business Rates Baseline	-1,440,601	-1,440,601	-1,354,393
Council Tax (Surplus)/Deficit	-61,419	-61,419	-81,910
Precept	3,948,128	3,948,128	4,185,446
Taxbase	23,209	23,209	23,623
Council Tax	150.69	150.69	155.69
Council Tax (including Parishes)	170.11	170.11	177.18

COLLECTION FUND

Collection Fund	Original 2019/20 £	Revised 2019/20 £	Original 2020/21 £
EXPENDITURE			
<u>Council Tax</u>			
Precepts:			
<i>Lancashire County Council</i>	31,253,007	31,253,007	33,079,759
<i>Lancashire Police and Crime Commissioner</i>	4,675,453	4,675,453	4,995,083
<i>Lancashire Combined Fire Authority</i>	1,612,562	1,612,562	1,673,926
<i>Ribble Valley including Parishes</i>	3,948,128	3,948,128	4,185,446
Allocation of Surplus:			
<i>Lancashire County Council</i>	468,689	468,689	648,385
<i>Lancashire Police and Crime Commissioner</i>	64,227	64,227	96,998
<i>Lancashire Combined Fire Authority</i>	24,417	24,417	33,455
<i>Ribble Valley including Parishes</i>	61,419	61,419	81,910
Bad Debts Provision	313,520	100,000	331,996
Expenditure Subtotal - Council Tax	42,421,422	42,207,902	45,126,958
<u>Business Rates</u>			
Cost of Collection	90,783	90,783	90,775
Enterprise Zones	132,877	221,228	123,112
Renewable Energy Schemes	93,820	93,820	96,180

COLLECTION FUND

Collection Fund	Original 2019/20	Revised 2019/20	Original 2020/21
	£	£	£
EXPENDITURE			
Distribution of Business Rates			
<i>Central Government</i>	3,744,068	3,744,068	7,641,398
<i>Ribble Valley</i>	8,386,713	8,386,713	6,113,118
<i>Lancashire County Council</i>	2,620,848	2,620,848	1,375,452
<i>Lancashire Combined Fire Authority</i>	224,644	224,644	152,828
Distribution of Business Rates Surplus			
<i>Central Government</i>	280,264	280,264	117,836
<i>Ribble Valley</i>	224,211	224,211	252,893
<i>Lancashire County Council</i>	50,448	50,448	78,492
<i>Lancashire Combined Fire Authority</i>	5,605	5,605	6,763
Appeals Provision	488,224	37,545	484,029
Bad Debts Provision	162,742	130,000	161,343
Expenditure Subtotal - Business Rates	16,505,247	16,110,177	16,694,219
TOTAL EXPENDITURE	58,926,669	58,318,079	61,821,177

INCOME			
Council Tax			
Surplus Brought Forward	618,752	706,337	860,748
Council Tax Income	41,802,670	42,362,313	44,266,210
Income Subtotal - Council Tax	42,421,422	43,068,650	45,126,958
Business Rates			
Surplus Brought Forward	560,528	575,892	455,984
Net Rates Payable (before appeals)	15,776,121	15,793,378	16,134,315
Transitional Protection	168,598	196,891	103,920
Income Subtotal - Business Rates	16,505,247	16,566,161	16,694,219
TOTAL INCOME	58,926,669	59,634,811	61,821,177
Council Tax (Surplus)/Deficit	0	-860,748	0
Business Rates (Surplus)/Deficit	0	-455,984	0
OVERALL SURPLUS FOR YEAR	0	-1,316,732	0