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Ribble Valley
Borough Council

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Dear Councillor

The next meeting of the **POLICY AND FINANCE** will be held at **6.30 pm** on **TUESDAY, 16 FEBRUARY 2021** by **ZOOM**.

I do hope you can be there.

Yours sincerely

M. H. Scott

CHIEF EXECUTIVE

AGENDA

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF PECUNIARY AND NON PECUNIARY INTERESTS**

Members are reminded of their responsibility to declare any pecuniary or non-pecuniary interest in respect of matters contained in the agenda.

3. **PUBLIC PARTICIPATION**

ITEMS FOR INFORMATION

4. **PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2021/22** (Pages 3 - 14)

Report of Director of Resources for information.

ITEMS FOR DECISION

5. **OVERALL REVISED CAPITAL PROGRAMME 2020/21** (Pages 15 - 28)

Report of Director of Resources enclosed

6. **FOUR YEAR CAPITAL PROGRAMME 2021/22 TO 2024/25** (Pages 29 - 42)

Report of Director of Resources enclosed.

7. **OVERALL REVENUE BUDGET 2021/22** (Pages 43 - 98)

Report of Director of Resources enclosed.

8. REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

None.

9. EXCLUSION OF PRESS AND PUBLIC

None.

Electronic agendas sent to members of Policy and Finance – Councillor Stephen Atkinson (Chair), Councillor Susan Bibby, Councillor Alison Brown, Councillor Stuart Carefoot, Councillor Judith Clark, Councillor Stewart Fletcher, Councillor Mark French, Councillor Jonathan Hill, Councillor Mark Hindle, Councillor Stuart Hirst, Councillor Simon Hore (Vice-Chair), Councillor Allan Knox, Councillor David Peat, Councillor James (Jim) Rogerson and Councillor Robert Thompson.

Contact: Democratic Services on 01200 414408 or committee.services@ribblevalley.gov.uk

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

meeting date: 16 FEBRUARY 2021
title: PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2021/22
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1. PURPOSE

- 1.1 To report the details of the Spending Review and also the Local Government Provisional Finance Settlement for 2021/22.

2. BACKGROUND

Spending Review

- 2.1 The Spending Review announced on 25 November 2020 was for one year only and whilst it provided more certainty for councils next year the long-term outlook remains unclear. The Spending Review has provided a potential increase of 4.5 per cent in council core spending power to support local services. However this increase is largely due to the ability of social care authorities to increase their council tax bills by up to 5 per cent.
- 2.2 To support local authorities in England with COVID-19 pressures next year, the Government stated it will provide over £3 billion in additional support. The additional support includes £1.55 billion to meet additional expenditure pressures as a result of COVID-19, £670 million to support households that are least able to afford council tax payments, £762 million to compensate for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020/21, and extending the existing COVID-19 sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021

Fair Funding Review

- 2.3 The Chancellor confirmed that as announced earlier this year, the implementation of the fair funding review has been delayed. The Spending Review does not specify when the review will be revisited.

LGA view:

- 2.4 The impact of the pandemic has not changed the way general Government grants are distributed between councils and remains complex, opaque and out of date. It is not possible to succinctly explain why the funding allocations for different councils are what they are. However, it is also clear that any review of distribution arrangements puts a multi-year local government finance settlement at risk, with an impact on certainty.
- 2.5 The LGA are calling on the Government to resume the Fair Funding Review, but with a guarantee that the transitional mechanisms ensure that no councils experience a loss of income.
- 2.6 Councils had to revisit and revise many of their services to react to the impact of the pandemic and it is yet to be seen how permanent some of those shifts are. This means that, when the Fair Funding Review is relaunched, the Government needs to review progress made to date to ensure that it is still fit for purpose, or flexible enough to deal with any such shifts in council service models.

Business Rates

- 2.7 The Chancellor announced that the Government is undertaking a fundamental review of the business rates system and is currently considering responses to the call for evidence. A final report setting out the full conclusions of the review will be published in spring 2021.
- 2.8 The Government has decided to freeze the business rates multiplier in 2021/22, saving businesses in England an estimated £575 million over the next five years. Local authorities will be fully compensated for this decision.
- 2.9 The Government is also considering options for further COVID-19 related support through business rates reliefs. In order to ensure that any decisions best meet the evolving challenges presented by COVID-19, the Government will outline plans for 2021/22 reliefs in the New Year.
- 2.10 Earlier this year, the Government announced that it would delay the move to 75 per cent Business Rates Retention and the implementation of the fair funding review. This decision allowed local authorities to focus on meeting the public health challenge posed by the pandemic. In order to provide further stability to the sector, the Government has decided not to proceed with a reset of business rates baselines in 2021/22 and will maintain the existing 100 per cent business rates pilots for a further year.

New Homes Bonus

- 2.11 The Chancellor announced that the Government will maintain the existing New Homes Bonus scheme for a further year with no new legacy payments.
- 2.12 The Government will consult on reforms to the New Homes Bonus shortly, with a view to implementing reform in 2022/23.

LGA view:

- 2.13 The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities. The Government needs to work closely with councils as part of its review of housing incentives in order to ensure it helps us deliver more homes and works for local government. It is important that sufficient clarity about the outcome of the review, is provided to councils as soon as possible to allow them to plan their 2022/23 budgets and beyond.

Local Government Finance Settlement

- 2.14 The local government finance settlement is the annual determination of funding to local government and is approved by the House of Commons. The grant settlement for next year was issued on 17 December 2020.
- 2.15 The Secretary of State for Housing, Communities and Local Government, Robert Jenrick MP, issued a written ministerial statement to the House of Commons which set out the Local Government Finance Settlement for 2021/22.
- 2.16 The consultation period ended on 16 January 2021. It is expected the final settlement will be laid before the House of Commons in February.
- 2.17 The announcement was broadly in line with the indicative figures for 2021/22 announced in the 2020 Spending Review in November 2020.

3. KEY INFORMATION FOR RIBBLE VALLEY

3.1 Our settlement is for one year only and I've shown below a comparison with the previous settlements for information:

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m
Settlement Funding Assessment	1.862606	1.569143	1.411972	1.440600	1.354393	1.354393
of which:						
Revenue Support Grant	0.623087	0.304319	0.109149	0.000000	0.000000	0.000000
Baseline Funding Level	1.239518	1.264824	1.302823	1.440600	1.354393	1.354393
Tariff/Top-Up	-4.361493	-3.997472	-4.147262	-6.364375	-4.311424	-4.311424
2017-18 Tariff and Top-up reconciliation			-0.028828			
Safety Net Threshold	1.146554	1.169962	1.205111	1.368570	1.252814	1.252814
Levy Rate	0.500000	0.500000	0.500000	0.000000	0.500000	0.500000

3.2 You will see our figures are effectively frozen at last year's levels.

4. RURAL SERVICES DELIVERY GRANT (RSDG)

4.1 The Government have announced that they will continue with the Rural Services Delivery Grant next year and increase the level by £4m to £85m. This is a grant paid to the top quartile of local authorities on the basis of the super-sparsity indicator, in recognition of possible additional costs for rural councils.

Impact on Ribble Valley

4.2 For Ribble Valley this is very pleasing news as over the years we have lobbied the Government and supported the various groups including the Rural Services Network to point out the significant extra costs of providing services in rural areas. Next year we will receive £113,250. This will be paid as a separate grant.

5. LOWER TIER SERVICES GRANT

5.1 The Government has announced a new £111m 'lower tier services' grant. £86m will be allocated to district councils and unitary authorities in line with their shares of the 'lower-tier' element of the settlement funding assessment. The remaining £25m will be allocated to district councils to ensure that no council sees its core spending power reduce in 2021/22.

5.2 The announcement states that this £25 million funding is in response to the current exceptional circumstances and is a one-off and that no local authority should take this funding floor as guaranteeing similar funding floors in future years, including in future finance reforms.

Impact on Ribble Valley

5.3 Ribble Valley will receive £57,680. It is interesting to note this is the 4th lowest allocation out of 308 authorities who will receive the new grant.

6. NEW HOMES BONUS

6.1 The provisional amount of £622m for the New Homes Bonus (NHB) has been included in Core Spending Power in 2021/22. The bonus consists of the legacy payments for 2018/19 and 2019/20 and the new money for 2021/22, as well as the Affordable Homes Premium across those years. The England total of allocations for 2021/22 is £196m.

6.2 As previously announced, there is no legacy payment in respect of 2020/21, and there will be no legacy payment in respect of 2021/22 in forthcoming years. The threshold over which the bonus is paid remains at 0.4 per cent.

6.3 The Government has set out its intention to hold a consultation on the future of the New Homes Bonus, with a view to implementing reform in 2022/23.

Impact on Ribble Valley

6.4 Our in-year allocation for 2021/22 will increase from £490k to £637k. We had 423 extra properties in year with an additional 16 empty properties brought back into use. After converting this into Band D equivalents we were eligible for NHB on 523 properties. Applying the 0.4% threshold reduces this by 110 (ie 0.4% of our total properties in October 2020 of 27,714). Our allocation also includes a payment for new affordable housing within the year.

6.5 As there is no legacy payment for 2020/21 we will only receive effectively 3 allocations (in year for 2021/22 plus in year for 2018/19 plus in year for 2019/20). There will also be no legacy payments in respect of 2021/22 in future years.

6.6 Our total provisional allocation for next year is £1.516m compared with £1.771m in 2020/21.

6.7 The table in Annex 1 shows the in-year allocation payments and also shows the legacy payments over the years and importantly their fall out.



6.8 The Government have stated that the new reforms to the NHB will be implemented in 2022/23. As stated previously, we rely on £1.105m of our allocation each year to finance our revenue budget. In addition we also currently use our NHB to fund the capital programme.

6.9 We estimate unused NHB of £2.941m in our earmarked reserves at the end of 2021/22. This would only cover a further 2 years if the NHB scheme ceases to exist

from 2022/23 and we were to no longer receive any funding. We will therefore need to carefully consider the financing of the Councils ongoing revenue budget going forward to find an alternative to this important income stream.

6.10 Annex 2 shows the use of our NHB since the start of the scheme.

7. BUSINESS RATES

7.1 As you are aware we have been a member of the 2020/21 50% Lancashire Business Rate Pool. The Government asked all members of pools to express their pooling preferences for 2021/22 by 23 October 2020. After some uncertainty surrounding Covid and the resetting of baselines and not least the continuation of Business Rate Reliefs next year it was decided to request to remain a member of the pool for next year. This was reported and agreed by Policy and Finance Committee in November.

7.2 All other members of the current pool decided to also request to remain in the pool and we received the official designation letter from MHCLG confirming the Lancashire Pool for next year which consists of the following local authorities.

- Burnley Borough Council
- Chorley Borough Council
- Fylde Borough Council
- Hyndburn Borough Council
- Pendle Borough Council
- Ribble Valley Borough Council
- Rossendale Borough Council
- South Ribble Borough Council
- West Lancashire Borough Council
- Wyre Borough Council
- Lancashire County Council

7.3 The designation has effect from 1 April 2020 and for each year unless revoked.

7.4 Local authorities in the pool had 28 days from the date of the announcement of the Local Government Finance Settlement (17/12/20) to consider if they wish to continue to be designated as a pool. No member gave notice to pull out of the Lancashire pool.

7.5 The Pool will operate on the same basis as it does in the current year, where members benefit from retaining levies on growth above their baseline instead of paying these over to the Government. LCC will receive 10% of the total retained levies. In addition, as Lead Authority we will receive £20,000 and act as a channel for all payments to and from MHCLG.

7.6 We will have an estimate of the retained levies when we receive all completed NNDR1 returns which are due to be submitted by 31 January 2021.

8. COUNCIL TAX REFERENDUM PRINCIPLES

8.1 The following council tax referendum principles were announced:

- a core principle of up to 2 per cent applying to shire county councils, unitary authorities, London borough councils, the City of London, the Isles of Scilly, the GLA general precept and fire and rescue authorities.

- a continuation of the Adult Social Care precept, with an additional 3 per cent flexibility available for social care authorities on top of the core principle. This can be spread over two years.
- 2 per cent or £5, whichever is higher, for shire district councils.
- £15 for Police and Crime Commissioners.
- no referendum principle for Mayoral Combined Authorities or town and parish councils.

9. CONCLUSION

9.1 This is one year only settlement. Whilst we benefit from the new Lower Tier Services Grant our allocation is one of the lowest in the country. Pleasingly the Rural Services Delivery Grant is to continue of which we will benefit by £113k next year. Our baseline and tariff amounts have both remained at the previous year's levels.

9.2 However, of significant concern going into next year is what will replace the New Homes Bonus Scheme and also the outcomes of both the Business Rate Retention Review and the Fair Funding Review.

10. FINAL LOCAL GOVERNMENT GRANT SETTLEMENT AND LATEST UPDATE

10.1 On 4 February 2021 Robert Jenrick laid the documents for the 2021/22 final local government finance settlement in the House of Commons and made a written ministerial statement. The final settlement debate and vote will be held in the House of Commons next week.

10.2 I have attached at Annex 3 a copy of the statement.

10.3 Our figures have remained the same except for a small increase in the Lower Tier Services Grant which has increased from £57,680 to £57,696.

10.4 Also the Financial Secretary to the Treasury made a Written Ministerial Statement to Parliament. The statement asks billing authorities to consider waiting until the Chancellor has set out his plans at the Budget on 3 March, before issuing business rate bills for 2021/22.

DIRECTOR OF RESOURCES
PF10-21/JP/AC

NHB IN-YEAR ALLOCATION PAYMENTS

Year of Payment

Year of Delivery

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Cumulative Payments	2011 / 12	2012 / 13	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021 / 22	2022 / 23
Payments for Year 1	£62,046	£62,046	£62,046	£62,046	£62,046	£62,046						
Payments for Year 2		£117,598	£117,598	£117,598	£117,598	£117,598						
Payments for Year 3			£188,053	£188,053	£188,053	£188,053	£188,053					
Payments for Year 4				£227,109	£227,109	£227,109	£227,109					
Payments for Year 5					£373,810	£373,810	£373,810	£373,810				
Payments for Year 6						£398,267	£398,267	£398,267	£398,267			
Payments for Year 7							£389,751	£389,751	£389,751	£389,751		
Payments for Year 8								£414,079	£414,079	£414,079	£414,079	
Payments for Year 9									£464,389	£464,389	£464,389	£464,389
Payments for Year 10										£490,083		
Payments for Year 11											£637,380	
2021/22: Total Payments											£1,515,848	

USE OF NHB

ANNEX 2

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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	2023/24
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										502,733			
2021/22											637,380		
2022/23												?	
2023/24													?
	62,046	179,645	367,698	594,806	968,616	1,366,884	1,576,990	1,575,908	1,666,486	1,770,952	1,515,848	464,389	0
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	1,105,000
Revenue in year						6,000							
Capital	0	0	100,000	85,000	35,662	57,749	175,618	139,469	361,547	229,150	241,040	70,960	306,637
Adjustment	60,000	60,000	160,000	418,780	711,727	850,710	968,697	1,244,469	1,466,547	1,334,150	1,346,040	1,175,960	1,411,637
Unallocated	2,046	119,645	217,727	165,997	256,889	516,174	608,293	331,439	199,939	436,802	169,808	-711,571	-1,411,637
Bal C/fwd	2,046	121,691	339,418	505,415	762,304	1,278,478	1,886,771	2,218,210	2,418,149	2,854,951	3,024,759	2,313,188	901,551

Statement

Today I laid before the House, the 'Report on Local Government Finance (England) 2021-22', the 'Council Tax referendum principles report 2021-22' and 'Council Tax alternative notional amounts report 2021-2022', which together form the annual local government finance settlement for local authorities in England.

My Ministers and I have held meetings with representative groups including the Local Government Association and with councils and MPs. Representations from 155 organisations or individuals have been carefully considered before finalising the settlement.

Social care

This Government is dedicated to supporting the most vulnerable, which is why this settlement provides access of up to an additional £1 billion of funding for Adult and Children's Social Care, comprising £300 million in grant and a 3% Adult Social Care precept. In the interests of stability, the Government proposes to roll-forward allocations of the £1.41 billion 2020-21 Social Care Grant and continue the 2020-21 improved Better Care Fund at £2.1 billion.

Our proposal is to use £240 million of the additional £300 million Social Care Grant as an 'equalisation' component – to level the playing field, recognising that the distribution of resources generated through the Adult Social Care precept does not match the pattern of assessed need. The remaining £60 million will be allocated directly through the existing Adult Social Care funding formula.

New Homes Bonus

Following consultation, the Government is proposing a new round of 2021-22 (year 11) New Homes Bonus payments. This will be the final set of allocations under the current approach.

The Government is committed to developing a more efficient and effective way of incentivising housing growth, which is why I am pleased to announce that we plan to consult shortly on the future of the New Homes Bonus.

Lower Tier Services Grant

The Government is proposing a new unringfenced Lower Tier Services Grant in 2021-22, which will allocate £111 million to local authorities with responsibility for lower tier services.

As part of this, the Government is proposing a minimum funding floor, at a cost of £25 million, so that no authority - either upper or lower tier - will have less funding available in 2021-22 than last year. This minimum funding floor is in response to the current exceptional circumstances and is a one-off.

Minor changes have been made to all allocations proposed at the provisional settlement to take account of changes to New Homes Bonus allocations arising from updated house completion statistics.

Rural Services Delivery Grant

The Government will be increasing the Rural Services Delivery Grant by £4 million, taking the total to £85 million – the highest ever. As in previous years, this grant will be distributed to the top quartile of local authorities on the ‘super-sparsity’ indicator.

Independent Living Fund

I can confirm that the Former Independent Living Fund Recipient Grant will continue to be paid to local authorities in 2021-22. The total value of the grant will be maintained at the 2020-21 value of £160.6 million, with the same approach to individual local authority allocations. Details will be published shortly.

Council tax

The Government’s manifesto commits to continuing to protect local taxpayers from excessive council tax increases, and it is for the House of Commons to set an annual threshold at which a council tax referendum is triggered. This is an additional local democratic check and balance to avoid the repeat seen under the last Labour Government when council tax more than doubled.

Next year, local authorities can increase council tax levels by up to 2% without holding a referendum and, where councils have adult social care responsibilities, they will be able to increase by a further 3% specifically for these services. To provide greater flexibility for councils, who must take into consideration the situations of their residents when making council tax decisions, this 3% increase for adult social care can be deferred for use in 2022/23.

A referendum principle of up to 2% or £5 - whichever is greater - will apply to shire district councils, and £15 on Band D for Police and Crime Commissioners. This package of referendum principles strikes a fair balance. The council tax referendum provisions are not a cap, nor do they force councils to set taxes at the threshold level. Councillors, mayors and Police and Crime Commissioners and local councils will rightly want to consider the financial needs of local residents at this challenging point in time, alongside the public’s support for action on keeping our streets safe and providing key services.

Following the Mayor of London’s request, I have decided to place before Parliament a principle for the Greater London Authority which reflects the Mayor’s request for an increase of £15 (on Band D) to fund transport concessions above the average level available elsewhere in England. The final decision on the increase in tax will be for the Mayor of London to take. The reasoning is set out in a letter to the Mayor, which I have placed in the Library.

At the same time as providing councils with the flexibility to set increases where they consider it appropriate, the Government also recognises the importance of providing support to those least able to pay. That is why we are providing councils with £670 million of new funding alongside the settlement, to enable them to continue reducing council tax bills for low-income households. This is in addition to the funding that is already built into the local government finance system to fund local council tax support (which is a local discount, rather than a benefit payment).

Future of local government finance

As announced earlier in the year, the Government will not proceed with widescale funding reform in 2021-22, including the implementation of the Review of Relative Needs and Resources, 75% business rates retention, and a reset of accumulated growth under the business rates retention system.

Our decision to postpone reform has been taken in the interest of creating stability for local authorities and has allowed both the Government and councils to focus on meeting the immediate public health challenges posed by the COVID-19 pandemic. We will revisit the priorities for finance reform in time for the next Spending Review, taking account of wider work on the future of business rates and how best to organise and finance adult social care.

Covid-19 support

Councils have welcomed our estimated £3 billion package of support to respond to additional expenditure pressures and loss of income from the COVID-19 pandemic in 2021-22. This package, on which I will provide further details shortly, includes £1.55 billion of unringfenced grant funding; a commitment to meet 75% of councils' irrecoverable losses in council tax and business rates income for 2020-21, worth an estimated £800 million; an extension to the existing Sales, Fees and Charges scheme for three further months, from April to June 2021; and an additional £670 million Local Council Tax Support grant.

Conclusion

Depending on local decisions, Core Spending Power in England may rise from £49.0 billion in 2020-21 to up to £51.3 billion in 2021-22, a 4.6% increase in cash terms.

This settlement and the additional COVID-19 resources build on the largest year-on-year increase in spending power in a decade last year, and recognise the resources and flexibility councils need to maintain critical services and their role at the heart of the national recovery from COVID-19. The settlement provides further stability for the whole sector by maintaining Core Spending Power at pre-pandemic levels – as a minimum – for every authority in England. This stands alongside an unprecedented package of COVID-19 support this year and next year, totalling over £11 billion in direct support for councils and £30 billion in additional support for local councils, businesses and communities.

Statement from

Ministry of Housing, Communities and Local Government

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RIBBLE VALLEY BOROUGH COUNCIL REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

meeting date: 16 FEBRUARY 2021
 title: OVERALL REVISED CAPITAL PROGRAMME 2020/21
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 To consider and approve the Council's overall revised capital programme for 2020/21.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – none identified.
- Corporate Priorities – to continue to be a well-managed council, providing efficient services based on identified customer needs.
- Other Considerations – none identified.

2 BACKGROUND

2.1 The Council operate a five-year capital programme, with a review undertaken every year to examine whether the programme still marries with our current and future plans.

2.2 As part of that review we also undertake a detailed examination of the current year's capital schemes to make any adjustments to the budgets, based on progress, and to ensure that they are included in the correct financial year, should any scheme delays be identified.

3 CURRENT APPROVED CAPITAL PROGRAMME 2020/21

3.1 The original capital programme for 2020/21 was approved by Full Council in March 2020. Since then regular reports have been presented to all committees with regards to the progress of the capital programme. There have also been a number of further approvals and adjustments made during the year. As a result, the total approved budget for the Council's overall capital programme of thirty schemes was £3,527,940.

3.2 The table below provides a summary of the in-year movements, leading to the total approved budget:

Capital programme 2020/21 movements	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
Original Estimate approved by Full Council in March 2020 (including scheme budgets moved from 2019/20 to 2020/21)	18	2,455,140
Slippage from 2019/20 on existing 2020/21 schemes	0	426,100
Slippage from 2019/20 on other schemes	10	348,310
Additional budget approvals in-year on 2020/21 existing schemes	0	132,550
Additional budget approvals in-year on new schemes	2	165,840
Total Approved Budget 2020/21	30	3,527,940

4 REVISING THE 2020/21 CAPITAL PROGRAMME

4.1 We have now discussed each of the schemes in the capital programme with budget holders and reviewed the programme to reflect their progress and estimated full year expenditure.

4.2 Following this review, the proposed revised estimate is £1,925,000 for twenty-seven schemes, which is a reduction of £1,602,940 from the previously approved capital programme budget and a reduction of three schemes. The proposed revised estimate capital programme by scheme is shown in Annex 1 and the budget changes made as part of the review are explained in the table below.

Capital programme 2020/21 Proposed Revised Estimate changes	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
Total Approved Budget 2020/21	30	3,527,940
<u>Schemes where full budget is proposed to be moved to 2021/22</u>		
Play Area Improvements 2020/21: It was initially planned that £40,000 was spent on a large refurbishment scheme at Kestor Lane play area in Longridge. However, the scheme will not take place in 2020/21 because of the Covid-19 impact earlier in the year on the capacity of companies the Council would seek quotes from and it is not satisfactory to carry out large play installation groundworks over the winter period. It is proposed to move the scheme budget into 2021/22.	-1	-40,000
Installation of a Second Parking Deck on Chester Avenue Car Park: Two options for additional parking in Clitheroe are being considered, those being Chester Avenue car park and a second site. Negotiations with site owners of the second site have been stalled by Covid-19. Once some form of agreement is reached on the second site a feasibility study must be carried out on both sites and submitted to Policy and Finance Committee for consideration before any capital works are planned. Thus, the scheme will not take place in 2020/21 and it is proposed to move the scheme budget into 2021/22.	-1	-1,230,000
Introduction of Planning Portal Link to the Planning Application System and Planning System Update: The planning system update element of the scheme was previously put on-hold awaiting the outcome of the planned wider process review in the Planning section. That planned wider process review has not taken place yet because of Covid-19 issues since Spring 2020. It is hoped that the wider process review can commence in 2021, Covid-19 permitting. Given this, the planning system update will not be undertaken in 2020/21 and it is proposed to move the scheme budget into 2021/22.	-1	-26,420
Network Infrastructure: There has been no progress to date on this scheme because ICT staff resources have been focussed on supporting the Council's Covid-19 response and new ways of working since the end of March 2020. Therefore, the scheme will not take place in 2020/21 and it is proposed to move the scheme budget into 2021/22.	-1	-30,000

Capital programme 2020/21 Proposed Revised Estimate changes	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
<u>Schemes where part of the budget is proposed to be moved to 2021/22</u>		
Dewhurst Road, Langho – Resurfacing Works: The main resurfacing contract works will not now take place in 2020/21, due to waiting on additional pre-tender works to be undertaken in 2020/21 and the timescales involved in the specification and tender process. Given this, it is proposed that £65,800 of the scheme budget is moved into 2021/22.	0	-65,800
Lift replacement at Council Offices: The main contract works are complete. However, the final retention payment on the main contract is not due until twelve months after practical completion, which will be summer 2021, Thus, it is proposed that £2,110 of the scheme budget is moved into 2021/22.	0	-2,110
Committee Administration IT System: The implementation of the ModGov system software is complete. The outstanding budget of £7,600 relates to IT hardware purchases. The hardware requirements needed to support the use of the system, possibly some laptops, will be considered in 2021 now the system software is up and running. Therefore, any IT hardware purchases, if required, will not be undertaken in 2020/21, so it is proposed that £7,600 of the scheme budget is moved into 2021/22.	0	-7,600
Landlord/Tenant Grants: The Landlord/Tenant Grants scheme budget will not be fully committed by year-end. Part of the in-year budget reduction, £136,740, is therefore proposed to be moved into 2021/22.	0	-136,740
Clitheroe Market Improvements: The work on the initial phase of market improvements is now complete. The unspent budget from this initial phase of works, £21,600, is to be added to the budget of £57,000 already set aside for a further phase of market improvements. The plans for this further phase of works will be worked up by officers in 2021, after consultation with the market traders, Thus, the further phase of works will not be undertaken in 2020/21. It is proposed that the remaining budget of £78,600 is moved to 2021/22.	0	-78,600
Economic Development Initiatives: There is currently just one development initiative scheme being considered that, if given the go ahead, would incur expenditure in 2020/21. If that scheme is approved to go ahead the Council's expenditure is estimated to be no more than £15,000 in 2020/21. Thus, it is proposed that the remaining £66,750 of the overall scheme budget is moved to 2021/22.	0	-66,750

Capital programme 2020/21 Proposed Revised Estimate changes	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
<u>Schemes where budget is proposed to be reduced</u>		
Lift replacement at Council Offices: Actual non-contract costs were lower than budgeted for, mainly due to less surveyors input, technical input, building regulations fees and temporary stairlift costs than initially planned for. Thus, it is proposed that the revised estimate budget is reduced by £4,290 to reflect the reduced costs.	0	-4,290
Completed schemes: The combined actual spend on four capital schemes already completed in-year was £10,660 lower than the combined total approved budgets for those schemes.	0	-10,660
<u>Schemes where budget is proposed to be increased</u>		
Replacement of Pickup Ford Ranger PK60 HKN: The estimated cost of the vehicle has increased because the initial scheme budget set in 2017 was based on estimated costs only at that stage, but the actual quote received for the vehicle specified now is higher. It is proposed that the budget is increased by £5,130 to £25,250.	0	5,130
Replacement of CCTV System: The budget slippage from 2019/20 for this scheme was for a new camera on Whalley Road. Permissions from Lancashire County Council to site the camera on the adopted footway have been held up by Covid-19 and in the meantime the contractor has updated the provisional cost quote for the camera, resulting in a proposed £2,800 budget increase. In addition to this, in January 2021 Policy and Finance Committee approved the installation of two new CCTV cameras as part of this scheme, to improve security and prevent vandalism at the Castle Grounds Bowling Green Café and Edisford Riverside Barrier. The proposed budget for the additional cameras is £10,930.	0	13,730
Dewhurst Road, Langho – Resurfacing Works: Flooding and drainage issues mean that additional pre-tender works are now required to be undertaken to enable the site to be clear from flooding before the main resurfacing works can take place. These pre-tender works were not included in the original scheme budget because officers were not aware of the flooding and drainage issues when the initial scheme budget was set in 2017. The proposed additional budget for the pre-tender works at this stage is £10,100. There is always the risk of further unexpected costs when drainage and culvert works are undertaken.	0	10,100
Disabled Facilities Grants: MHCLG announced in December 2020 that all local authorities will be given additional funding allocations for DFGs in 2020/21. The Council's additional allocation is £46,640, which will increase the DFGs revised estimate budget to £813,620.	0	46,640

Capital programme 2020/21 Proposed Revised Estimate changes	Impact on number of Capital schemes in 2020/21	Impact on Capital Programme Budget 2020/21 £
<p>Completed schemes: The majority of this proposed increase, £5,820, is on the Edisford Sports Complex scheme. This was a large scheme with spend across three financial years. The scheme is now complete and expenditure in 2020/21 was £5,814 higher than budgeted for, due to additional spend in 2019/20 on water connection works and additional WIFI, IT and equipment for the new building at the sports complex. In the context of the overall scheme, the overspend is only 0.4% of the overall scheme budget of £1,323,010. The remaining proposed budget increase of £50 is due to a minor overspend on one completed replacement van scheme.</p>	0	5,870
<p><u>Budgets proposed to be transferred between schemes in-year</u></p>		
<p>Landlord/Tenant Grants scheme and Longridge Affordable Housing scheme: The Landlord/Tenant Grants scheme budget will not be fully committed by year-end. It is proposed that part of the in-year budget reduction on that scheme, £5,000, be transferred to the Longridge Affordable Housing scheme in-year to fund final additional damp proofing and fire door installation works.</p>	0	0
<p><u>Budgets proposed for new schemes</u></p>		
<p>Replacement of Works Vehicle (Toilet Van) YP66 PZF: This scheme was added to the 2020/21 capital programme at short notice, after agreement by senior officers, because of the urgent need to purchase a replacement for a toilet van written off in a crash. The scheme is now complete, at a cost of £14,553, so it is proposed that a revised estimate budget of £14,560 is approved for the scheme.</p>	1	14,560
<p>Proposed Revised Estimate Capital Programme 2020/21</p>	27	1,925,000

5 FINANCING OF THE 2020/21 CAPITAL PROGRAMME

5.1 The capital resources to finance the capital programme for 2020/21 have also been revised, as shown in the table below.

	Total Approved Budget Financing 2020/21 £	Proposed Changes £	Revised Estimate Budget Financing 2020/21 £
Capital Programme Budget	3,527,940	-1,602,940	1,925,000
RESOURCES			
<u>Grants and Contributions</u>			
MHCLG - Disabled Facilities Grants	-676,330	-46,640	-722,970
Onward Homes – Disabled Adaptations	-90,650		-90,650
S106 Funding (via Capital Reserve)	-315,290		-315,290
<u>Borrowing</u>			
Unsupported Borrowing	-1,316,860	1,308,600	-8,260
<u>Usable Reserves</u>			
<i>Usable Capital Receipts</i>			
Usable Capital Receipts Reserve	-65,800	55,700	-10,100
<i>Earmarked Reserves</i>			
Capital Reserve Fund earmarked reserve	-114,210	85,480	-28,730
Fleming VAT Reclaim earmarked reserve	-15,100		-15,100
ICT Repairs and Renewals earmarked reserve	-30,000		-30,000
VAT Shelter earmarked reserve	-228,930	131,560	-97,370
Refuse (Wheelie Bins) earmarked reserve	-13,000		-13,000
Transparency Grant (Equipment) earmarked reserve	-8,430		-8,430
New Homes Bonus earmarked reserve	-273,500	44,350	-229,150
Community Housing Fund (Housing Related Grants) earmarked reserve	-157,530		-157,530
Business Rates Growth earmarked reserve	-122,420	22,220	-100,200
Rural Services Delivery Grant earmarked reserve	-75,390	360	-75,030
Planning earmarked reserve	-14,500	1,310	-13,190
Local Council Tax Support New Burdens (Equipment) earmarked reserve	-10,000		-10,000
Total of Resources Used	-3,527,940	1,602,940	-1,925,000

5.2 Earmarked reserves are used to fund £787,830 of the 2020/21 proposed revised capital programme, with the balance of funding coming from grants and contributions of £1,128,910 and borrowing of £8,260.

- 5.3 The Council's policy is to maintain the Capital Earmarked Reserve at or above the minimum recommended balance of £350,000. The opening and estimated closing balances on this Reserve, together with estimated in-year movements, are summarised in the table below and demonstrate that the Reserve will be maintained above the recommended minimum level in 2020/21.

Capital Earmarked Reserve	£
Opening Balance 1 April 2020	-931,767
Added In-year (incl. S106 monies)	-317,780
Used In-year (incl. S106 monies)	344,020
Closing Balance 31 March 2021	-905,527
Recommended Minimum Balance	-350,000

6 PERFORMANCE AGAINST THE PROPOSED 2020/21 REVISED CAPITAL PROGRAMME

- 6.1 Annex 1 shows the full capital programme, with the budget and actual expenditure including commitments at the end of December 2020 for each scheme. The summary position is shown below.

Committee	Original Estimate 2020/21 £	Budget Moved from 2019/20 £	Slippage from 2019/20 £	Additional Approvals 2020/21 £	Total Approved Budget 2020/21 £	Revised Estimate 2020/21 £	Budget Moved to 2021/22 £	Actual Expenditure including commitments as at end of December 2020 £
Community Services	1,555,120	58,880	13,360	0	1,627,360	392,300	1,270,000	318,625
Planning and Development	0	40,920	48,680	0	89,600	61,870	26,420	61,861
Policy and Finance	95,800	108,730	33,480	25,000	263,010	158,310	105,510	142,452
Health and Housing	397,000	116,940	658,890	273,390	1,446,220	1,277,520	215,340	678,280
Economic Development	0	81,750	20,000	0	101,750	35,000	66,750	0
OVERALL TOTAL	2,047,920	407,220	774,410	298,390	3,527,940	1,925,000	1,684,020	1,201,218

- 6.2 At the end of December 2020 £1,201,218 had been spent or committed on capital programme schemes. This is 62.4% of the full year proposed revised capital programme budget.

- 6.3 Of the twenty-seven schemes in the proposed revised capital programme at the end of December 2020:
- eleven have been completed
 - fourteen are in progress; and
 - two are on-going demand-led Housing capital grants schemes.

6.4 Progress on the schemes with the largest remaining budgets is as follows, with variances shown being against the proposed revised estimate:

- **Disabled Facilities Grants (£580,831):** The number of schemes approved and completed so far in 2020/21 has been significantly reduced because non-urgent DFGs related works, occupational therapy assessments and technical assessments were put on-hold due to Covid-19 from late March 2020 onwards (the grant recipients are in the most vulnerable categories of people).

Since summer 2020, there has been some increase in DFGs work, mainly on minor adaptations and urgent high priority cases where possible. However, the rate of increase in DFGs work and grant payments made is only expected to be gradual for the foreseeable future, because many vulnerable clients may still be shielding, social distancing rules may not allow contractors to work in houses still occupied and there may be contractor and technical officer capacity issues. Indeed, the Housing team are using some outside agencies to increase the technical officer resources available to help complete more DFGs schemes in-year.

At this stage, there is no certainty that the scheme budget will be fully committed by year-end. Any unspent budget at year-end will be rolled forward as slippage into 2021/22 because this scheme is financed by ring-fenced DFGs grant income and funding from MHCLG and Onward Homes.

- **Replacement of Pickup Ford Ranger PK60 HKN (£25,250):** Different vehicle quotes were considered, given the higher cost of the scheme when compared to the original budget. The current aim is to order the replacement vehicle early in 2021, subject to the proposed additional budget being approved by this Committee, and completion in-year will then be dependent on supplier delivery timescales.
- **Play Area Improvements 2019/20 (£21,683):** £9,147 has been spent or committed so far on various improvement works. Further work in-year is on-going and will be a combination of routine improvement works, based on condition surveys, and some enhanced improvement works. At this stage, officers are aiming to utilise the remaining budget before year-end.
- **Gateway Signs for Whalley, Longridge and Clitheroe (£20,000):** No spend to date on this scheme to fund the installation of two new welcome signs and the replacement of a damaged sign at Simonstone. At this stage, it is hoped that installation will be completed within this financial year. However, this is subject to gaining the required permissions from Lancashire County Council, supplier delivery timescales and any impact from the on-going Covid-19 restrictions.
- **Replacement of CCTV System (£18,570):** Officers will order the additional CCTV cameras for Whalley Road, the Castle Grounds Bowling Green Café and Edisford Riverside Barrier early in 2021, subject to the proposed additional budget being approved by this Committee and receiving the required permissions from Lancashire County Council for the Whalley Road camera.

- **Economic Development Initiatives (£15,000):** The joint-funded site investigation and development modelling scheme for improving employment land site access at Salthill has still to be approved and bid for. If the scheme is approved to go ahead it is estimated at this stage that the expenditure will be completed before financial year-end.
- **Clitheroe Affordable Housing Scheme (£12,090):** The property purchase was completed in December 2020 and refurbishment works are planned for early 2021, which means the scheme is planned to be completed in this financial year.
- **Re-design of Corporate Website (£12,000):** The website refresh work is in progress and officers are working with the current website provider on evaluating website designs and layouts and undertaking accessibility legislation compliance work. At this stage, it is expected that the refresh will be completed before financial year-end and within the budget set.

7 RISK ASSESSMENT

7.1 The approval of this report may have the following implications:

- Resources – Approval of the revised capital programme will see a decrease of £1,602,940 in the level of financing resources needed in 2020/21, when compared to the previously approved capital programme. It is proposed to move £1,684,020 of financing resources into 2021/22 to fund the capital schemes that are proposed to be moved into that year.
- Technical, Environmental and Legal – None.
- Political – None.
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the Council.
- Equality and Diversity – Equality and diversity issues are examined as part of the capital bid appraisal process.

8 CONCLUSION

8.1 The proposed revised capital programme for 2020/21 is £1,925,000 for twenty-seven schemes, which is a reduction of £1,602,940 from the previously approved capital programme budget and a reduction of three schemes.

8.2 As a result, there is a reduction of £1,602,940 in the level of financing resources needed to fund the 2020/21 proposed revised capital programme. It is proposed to move £1,684,020 of financing resources into 2021/22 to fund the capital schemes that are proposed to be moved into that year.

8.3 Earmarked reserves are used to fund £777,730 of the 2020/21 proposed revised capital programme with the balance of funding coming from grants and contributions of £1,128,910, borrowing of £8,260 and Usable Capital Receipts of £10,100.

8.4 At the end of December 2020 £1,201,218 had been spent or committed on capital programme schemes. This is 62.4% of the full year proposed revised capital programme budget.

9 RECOMMENDED THAT COMMITTEE

9.1 Approve the overall revised capital programme for 2020/21.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF11-21/AC/AC
5 February 2021

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 2020/21**

Cost Centre	Scheme	Original Estimate 2020/21 £	Budget Moved from 2019/20 £	Slippage from 2019/20 £	Additional Approvals 2020/21 £	Total Approved Budget 2020/21 £	Revised Estimate 2020/21 £	Budget Moved to 2021/22 £	Actual Expenditure including commitments as at end of December 2020 £
Community Services Committee									
PLAYU	Play Area Improvements 2020/21	40,000	0	0	0	40,000	0	40,000	0
PLAYT	Play Area Improvements 2019/20	0	28,000	2,830	0	30,830	30,830	0	9,147
REPWB	Replacement of Refuse Wheelie Bins	13,000	0	0	0	13,000	13,000	0	5,460
PDECK	Installation of a Second Parking Deck on Chester Avenue Car Park	1,230,000	0	0	0	1,230,000	0	1,230,000	0
WV/KYK	Replacement of Refuse Collection Vehicle VN12 KYK	232,000	0	0	0	232,000	229,150	0	229,150
WV/HKN	Replacement of Pickup Ford Ranger PK60 HKN	20,120	0	0	0	20,120	25,250	0	0
GVWUC	Replacement of High-Top Transit Van PJ63 WUC	20,000	0	0	0	20,000	20,050	0	20,046
ESCPX	Edisford Sports Complex	0	30,880	2,450	0	33,330	39,150	0	39,144
RCCTV	Replacement of CCTV System	0	0	4,840	0	4,840	18,570	0	0
AABED	Automatic Access Barrier – Edisford River Bank	0	0	1,740	0	1,740	1,740	0	1,125
CPPAY	Off-Street Car Parks – Update of Payment Systems	0	0	1,500	0	1,500	0	0	0
WPZFB	Replacement of Works Vehicle (Toilet Van) YP66 PZF	0	0	0	0	0	14,560	0	14,553
Total Community Services Committee		1,555,120	58,880	13,360	0	1,627,360	392,300	1,270,000	318,625

Cost Centre	Scheme	Original Estimate 2020/21 £	Budget Moved from 2019/20 £	Slippage from 2019/20 £	Additional Approvals 2020/21 £	Total Approved Budget 2020/21 £	Revised Estimate 2020/21 £	Budget Moved to 2021/22 £	Actual Expenditure including commitments as at end of December 2020 £
Planning and Development Committee									
PLOTT	Replacement of Plotter/Copier in the Planning Section	0	14,500	0	0	14,500	13,190	0	13,190
PLANN	Introduction of Planning Portal Link to the Planning Application System and Planning System Update	0	26,420	0	0	26,420	0	26,420	0
PRMLG	Primrose Lodge Blue and Greenway Project	0	0	48,680	0	48,680	48,680	0	48,671
Total Planning and Development Committee		0	40,920	48,680	0	89,600	61,870	26,420	61,861
Policy and Finance Committee									
DHRST	Dewhurst Road, Langho - Resurfacing Works	65,800				65,800	10,100	65,800	6,250
NSWRK	Network Infrastructure	30,000				30,000	0	30,000	0
COWEB	Re-design of Corporate Website		30,000			30,000	30,000	0	18,000
COLFT	Lift replacement at Council Offices		78,730	2,700		81,430	75,030	2,110	75,022
COADM	Committee Administration IT System			12,350		12,350	4,750	7,600	4,750
REPPC	Replacement PCs			10,000		10,000	10,000	0	10,000
CFUPG	Financial system upgrade			8,430		8,430	8,430	0	8,430
LANDB	Purchase of land behind Old Row, Barrow				25,000	25,000	20,000	0	20,000
Total Policy and Finance Committee		95,800	108,730	33,480	25,000	263,010	158,310	105,510	142,452

**SPECIAL POLICY AND FINANCE COMMITTEE
OVERALL REVISED CAPITAL PROGRAMME 2020/21**

Cost Centre	Scheme	Original Estimate 2020/21 £	Budget Moved from 2019/20 £	Slippage from 2019/20 £	Additional Approvals 2020/21 £	Total Approved Budget 2020/21 £	Revised Estimate 2020/21 £	Budget Moved to 2021/22 £	Actual Expenditure including commitments as at end of December 2020 £
Health and Housing Committee									
DISCP	Disabled Facilities Grants	347,000	0	329,960	90,020	766,980	813,620	0	232,789
LANGR	Landlord/Tenant Grants	50,000	59,940	58,300	0	168,240	26,500	136,740	25,264
CMIMP	Clitheroe Market Improvements	0	57,000	29,860	0	86,860	8,260	78,600	8,253
LONAH	Longridge Affordable Housing Scheme	0	0	125,770	0	125,770	130,770	0	125,692
PSCHG	Chipping Community Housing Grant	0	0	115,000	42,530	157,530	157,530	0	157,532
CLIAH	Clitheroe Affordable Housing Scheme	0	0	0	140,840	140,840	140,840	0	128,750
Total Health and Housing Committee		397,000	116,940	658,890	273,390	1,446,220	1,277,520	215,340	678,280
Economic Development Committee									
ECDVI	Economic Development Initiatives	0	81,750	0	0	81,750	15,000	66,750	0
GWSGN	Gateway Signs for Whalley, Longridge and Clitheroe	0	0	20,000	0	20,000	20,000	0	0
Total Economic Development Committee		0	81,750	20,000	0	101,750	35,000	66,750	0
OVERALL CAPITAL PROGRAMME 2020/21 TOTAL									
		2,047,920	407,220	774,410	298,390	3,527,940	1,925,000	1,684,020	1,201,218

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RIBBLE VALLEY BOROUGH COUNCIL REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

meeting date: 16 FEBRUARY 2021
title: FOUR YEAR CAPITAL PROGRAMME 2021/22 – 2024/25
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To provide members with details of the previously approved capital programme schemes for 2021/22 to 2024/25.
- 1.2 The report asks for member consideration of a small number of adjustments to this previously approved capital programme, notably to the 2021/22 and 2022/23 financial years.
- 1.3 This year there are no new additional bids to consider and the capital programme will go forward as a four-year capital programme rather than a five-year capital programme.
- 1.4 The proposals within the report have been reported to and supported by Service Committees and Budget Working Group. Should committee agree with the proposals in this report, members are asked to recommend a capital programme for 2021/22-2024/25 to Full Council on 2 March 2021.

2 REVIEWING THE EXISTING CAPITAL PROGRAMME 2021/22 to 2024/25

- 2.1 The future capital programme budget is reviewed and updated each year. In recent years, the Council has been setting a proposed and fully funded five-year capital programme each year. The process of updating the programme has involved reviewing and updating the schemes that were approved in the previous year's programme for what will become the first four years of the new five-year programme and submitting new bids for year five of the new five-year programme.
- 2.2 Given the additional burdens caused by, and priority focus on, Covid-19 issues throughout 2020, on the recommendation of Budget Working Group it was agreed at Policy and Finance that the capital programme budget update process for this year would be streamlined. This involves moving to a four-year capital programme only, covering 2021/22 to 2024/25, and there being no new capital bids for 2025/26 (year five).
- 2.3 Heads of Service/Directors were therefore asked to review and update the proposed four-year capital programme, as follows:
 - Review the 2021/22 capital schemes already in the capital programme to confirm that costings are correct and that they will be able to be completed in that year.
 - Review the current year's (2020/21) capital schemes to identify whether any may need to be moved to the 2021/22 financial year.
- 2.4 Each committee have considered and approved the proposed four-year capital programme for their own committee and the proposals have also been considered and supported by Budget Working Group. The proposed programmes from all committees are now reported here alongside each other for consideration by Special Policy and Finance Committee.

3 PREVIOUSLY APPROVED SCHEMES

3.1 The previously approved capital programme for 2021/22 to 2024/25 is summarised below.

3.2 The Disabled Facility Grant (DFG) scheme in any given year will be adjusted as required to match the actual external funding received in year.

Committee Expenditure	2021/22	2022/23	2023/24	2024/25	TOTAL
Community Services Committee	578,200	626,900	510,800	451,000	2,166,900
Economic Development Committee					0
Health and Housing Committee	424,300	397,000	509,600	397,000	1,727,900
Planning and Development Committee					0
Policy and Finance Committee		226,600	118,200	88,080	432,880
Total Schemes	1,002,500	1,250,500	1,138,600	936,080	4,327,680
Financing					
Disabled Facility Grants	-347,000	-347,000	-347,000	-347,000	-1,388,000
VAT Shelter Earmarked Reserve	-50,000	-50,000	-50,000		-150,000
Capital Earmarked Reserve			-401,982		-401,982
New Homes Bonus Earmarked Reserve	-272,000		-306,637		-578,637
External Funding towards Castle Keep Repointing	-222,240				-222,240
External Funding for Mardale Playing Field Changing Rooms				-30,000	-30,000
ICT Renewals Earmarked Reserve		-24,241		-63,400	-87,641
Vehicle Renewals Earmarked Reserve		-37,500	-13,530		-51,030
Fleming VAT Earmarked Reserve		-38,272	-5,451		-43,723
Refuse (Wheeled Bins) Earmarked Reserve	-13,000	-13,000	-14,000	-15,000	-55,000
Business Rates Growth Earmarked Reserve		-474,387		-480,680	-955,067
Usable Capital Receipts	-98,260	-266,100			-364,360
Total Resources	-1,002,500	-1,250,500	-1,138,600	-936,080	-4,327,680

4 ADJUSTMENTS TO THE PREVIOUSLY APPROVED SCHEMES

4.1 There has been just one adjustment proposed to the previously approved schemes and this is in respect of the Castle Keep Lime Repointing Works and Repairs.

- **Castle Keep Lime Re-pointing Works and Repairs (Subject to External Funding), £293,200:** This scheme is dependent on external funding to cover the vast majority of the scheme costs. No external funding is currently available, so this scheme has been moved back to 2022/23, subject to securing external funding for that year. The scheme will not take place unless the scheme cost less external funding remains within the net £70,960 budget available. Potential funding for this scheme was initially budgeted at £222,240.

4.2 The above item would result in the following adjustments to the table at paragraph 3.2. This has a net nil impact.

Adjustments	2021/22	2022/23	2023/24	2024/25	Net
Community Services Committee	-293,200	293,200			0
Total Schemes	-256,020	293,200	0	0	0
<u>Financing</u>					
New Homes Bonus	70,960	-70,960			0
External Funding towards Castle Keep Repointing	222,240	-222,240			0
Total Resources	293,200	-293,200	0	0	0

5 REVISING THE 2020/21 CAPITAL PROGRAMME

5.1 In arriving at a suggested Revised Capital Programme for the current financial year 2020/21, there have been 10 schemes/part schemes that have been proposed to be moved to the 2021/22 financial year as they would not be completed by 31 March 2021 for various reasons.

5.2 These schemes will be moved with their associated financing.

Schemes and Financing to be moved from 2020/21 to 2021/22	Impact on 2021/22 £
Community Services Committee	
Play Area Improvements 2020/21	40,000
Installation of a Second Parking Deck on Chester Avenue Car Park	1,230,000
Economic Development Committee	
Economic Development Initiatives	66,750
Health and Housing Committee	
Landlord/Tenant Grants	136,740
Clitheroe Market Improvements	78,600

Schemes and Financing to be moved from 2020/21 to 2021/22	Impact on 2021/22 £
Planning and Development Committee	
Introduction of Planning Portal Link to the Planning Application System and Planning system Update	26,420
Policy and Finance Committee	
Dewhurst Road, Langho – Resurfacing Works	65,800
Network Infrastructure	30,000
Lift Replacement at Council Offices	2,110
Committee Administration IT System	7,600
Total Value of Schemes	1,684,020
<u>Associated Financing</u>	
New Homes Bonus	-40,000
VAT Shelter Earmarked Reserve	-136,740
Business Rates Growth Earmarked Reserve	-37,600
Capital Earmarked Reserve	-94,920
Rural Services Delivery Grant Earmarked Reserve	-360
Usable Capital Receipts	-65,800
Borrowing	-1,308,600
Total Value of Financing	-1,684,020

6 FINAL PROPOSED FOUR-YEAR CAPITAL PROGRAMME

6.1 The final proposed five year capital programme is shown at Annex 1, together with the associated financing. The table below provides a summary by committee. This includes the transfer of one scheme from 2021/22 to 2022/23 as shown in section 4 of this report. It also includes the transfer of 10 schemes/part schemes from the current financial year 2020/21 to 2021/22 as shown at section 5 of the report.

Committee Expenditure	2021/22	2022/23	2023/24	2024/25	TOTAL
Community Services Committee	1,555,000	920,100	510,800	451,000	3,436,900
Economic Development Committee	66,750	0	0	0	66,750
Health and Housing Committee	639,640	397,000	509,600	397,000	1,943,240
Planning and Development Committee	26,420	0	0	0	26,420
Policy and Finance Committee	105,510	226,600	118,200	88,080	538,390
TOTAL	2,393,320	1,543,700	1,138,600	936,080	6,011,700

6.2 The overall financing of the proposed capital programme is shown in the table below.

Financing	2021/22	2022/23	2023/24	2024/25	TOTAL
Disabled Facility Grants	-347,000	-347,000	-347,000	-347,000	-1,388,000
VAT Shelter Earmarked Reserve	-186,740	-50,000	-50,000		-286,740
Capital Earmarked Reserve	-94,920		-401,982		-496,902
New Homes Bonus Earmarked Reserve	-241,040	-70,960	-306,637		-618,637
External Funding towards Castle Keep Repointing		-222,240			-222,240
External Funding for Mardale Playing Field Changing Rooms				-30,000	-30,000
ICT Renewals Earmarked Reserve		-24,241		-63,400	-87,641
Vehicle Renewals Earmarked Reserve		-37,500	-13,530		-51,030
Fleming VAT Earmarked Reserve		-38,272	-5,451		-43,723
Refuse (Wheeled Bins) Earmarked Reserve	-13,000	-13,000	-14,000	-15,000	-55,000
Business Rates Growth Earmarked Reserve	-37,600	-474,387		-480,680	-992,667
Rural Services Delivery Grant Earmarked Reserve	-360				-360
Usable Capital Receipts	-164,060	-266,100			-430,160
Borrowing	-1,308,600				-1,308,600
TOTAL	-2,393,320	-1,543,700	-1,138,600	-936,080	-6,011,700

6.3 The council's policy is to maintain the Capital Earmarked Reserve at or above the minimum recommended balance of £350,000. The table below shows that the balance of the Capital Earmarked Reserve will be at or above this level for the life of the recommended capital programme.

Capital Reserve	2021/22	2022/23	2023/24	2024/25
Forecast Opening Balance	-905,527	-810,607	-810,607	-408,625
Taken from Reserve	94,920	0	401,982	0
Forecast Closing Balance	-810,607	-810,607	-408,625	-408,625
Recommended Minimum Balance	-350,000	-350,000	-350,000	-350,000

7 CONCLUSION

7.1 Given the additional burdens caused by, and priority focus on, Covid-19 issues throughout 2020, the capital programme budget update process for this year has been streamlined. This has involved moving to a four-year capital programme only, covering 2021/22 to 2024/25, and there being no new capital bids for 2025/26 (year five).

7.2 The focus of this budget update process has been on a:

- Review of the 2021/22 capital schemes already in the capital programme to confirm that costings are correct and that they will be able to be completed in that year.
- Review of the current year's (2020/21) capital schemes to identify whether any may need to be moved to the 2021/22 financial year.

7.3 There has been just one scheme in the existing 2021/22 capital programme that has needed to be amended. This amendment has only been the movement of the scheme from the 2021/22 financial year to the 2022/23 financial year, together with associated scheme financing. This movement has a net nil impact.

7.4 As part of the review of the current year's capital programme (2020/21) there have been 10 schemes/part schemes moved from the 2020/21 financial year in to the 2021/22 financial year, totalling £1,684,020. Whilst this is an increase to the 2021/22 capital programme, there is an associated decrease in the 2020/21 financial year – with associated financing also being moved to fully fund these schemes.

8 RISK ASSESSMENT

8.1 The approval of this report will have the following implications:

- Resources – Approval of the proposed forward capital programme will see financing of £4,371,460 through the use of earmarked reserves, borrowing and usable capital receipts.

Additionally, by way of external funding, it is forecast that we will use £1,388,000 of Disabled Facility Grant funding, £222,240 external funding towards the Castle Keep Repointing scheme and £30,000 external funding towards the Mardale Changing Rooms refurbishment scheme.

Total financing for the proposed five-year capital programme is £6,011,700.

- Technical, Environmental and Legal – None.
- Political – None.
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the Council.
- Equality and Diversity – Equality and diversity issues are examined as part of the normal capital bid appraisal process.

9 RECOMMENDED THAT SPECIAL POLICY AND FINANCE COMMITTEE

9.1 Recommend to Council the Capital Programme for 2021/22 to 2024/25 as set out in Annex 1.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF12-21/LO/AC
5 February 2021

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£
COMMUNITY SERVICES COMMITTEE					
Play Area Improvements	40,000	45,000	45,000	46,000	176,000
Play Area Improvements (Moved from 2020/21)	40,000				40,000
Replacement of Refuse Wheelie Bins	13,000	13,000	14,000	15,000	55,000
Replacement of Refuse Collection Vehicle VU62 HXK	232,000				232,000
Installation of a Second Parking Deck on Chester Avenue Car Park (Moved from 2020/21)	1,230,000				1,230,000
Castle Keep Lime Repointing Works and Repairs (Subject to External Funding)		293,200			293,200
Replacement of Refuse Iveco Tipper (PO60 AYK)		40,600			40,600
Replacement of Hustler Trimstar Mower x 2 (rvbc017 and rvbc018)		14,000			14,000
Replacement of John Deere Mower 4x4 (PE15 YVK)		21,500			21,500
Replacement of 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

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	3	£	£	£
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
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	1,555,000	920,100	510,800	451,000	3,436,900

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	3	£	£	£
HEALTH AND HOUSING COMMITTEE					
Disabled Facilities Grants (external funding expected to cover all spend - TBC)	347,000	347,000	347,000	347,000	1,388,000
Landlord/Tenant Grants	50,000	50,000	50,000	50,000	200,000
Landlord/Tenant Grants (Moved from 2020/21)	136,740				136,740
Clitheroe Market Improvements (Moved from 2020/21)	78,600				78,600
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	639,640	397,000	509,600	397,000	1,943,240

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	3	£	£	£
ECONOMIC DEVELOPMENT COMMITTEE					
Economic Development Initiatives <i>(Moved from 2020/21)</i>	66,750				66,750
Total Economic Development Committee	66,750	0	0	0	66,750
PLANNING AND DEVELOPMENT COMMITTEE					
Introduction of Planning Portal Link to the Planning Application System and Planning System Update <i>(Moved from 2020/21)</i>	26,420				26,420
Total Planning and Development Committee	26,420	0	0	0	26,420
POLICY AND FINANCE COMMITTEE					
Dewhurst Road, Langho – Resurfacing Works <i>(Moved from 2020/21)</i>	65,800				65,800
Network Infrastructure <i>(Moved from 2020/21)</i>	30,000				30,000
Lift Replacement at Council Offices, Clitheroe <i>(Moved from 2020/21)</i>	2,110				2,110
Committee Administration IT System <i>(Moved from 2020/21)</i>	7,600				7,600
Brookfoot Footbridge, Ribchester – Replacement of Bridge		110,000			110,000
ICT Infrastructure Refresh		116,600			116,600

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	3	£	£	£
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	105,510	226,600	118,200	88,080	538,390
Total for all Committees	2,393,320	1,543,700	1,138,600	936,080	6,011,700

PROPOSED FOUR-YEAR CAPITAL PROGRAMME AND FINANCING – 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£	£
FINANCED FROM:					
Disabled Facilities Grant Funding	-347,000	-347,000	-347,000	-347,000	-1,388,000
VAT Shelter Earmarked Reserve	-186,740	-50,000	-50,000		-286,740
Capital Earmarked Reserve	-94,920		-401,982		-496,902
New Homes Bonus Earmarked Reserve	-241,040	-70,960	-306,637		-618,637
Rural Services Delivery Grant Earmarked Reserve	-360				-360
Potential External Funding for Castle Keep Repointing		-222,240			-222,240
Potential External Funding for Mardale Playing Field Changing Rooms				-30,000	-30,000
ICT Renewals Earmarked Reserve		-24,241		-63,400	-87,641
Vehicle and Plant Renewal Earmarked Reserve		-37,500	-13,530		-51,030
Fleming VAT Earmarked Reserve		-38,272	-5,451		-43,723
Wheeled Bins Earmarked Reserve	-13,000	-13,000	-14,000	-15,000	-55,000
Business Rates Growth Earmarked Reserve	-37,600	-474,387		-480,680	-992,667
Usable Capital Receipts	-164,060	-266,100			-430,160
Borrowing	-1,308,600				-1,308,600
	-2,393,320	-1,543,700	-1,138,600	-936,080	-6,011,700

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RIBBLE VALLEY BOROUGH COUNCIL REPORT TO SPECIAL POLICY AND FINANCE COMMITTEE

meeting date: 16 FEBRUARY 2021
 title: OVERALL REVENUE BUDGET 2021/22
 submitted by: DIRECTOR OF RESOURCES
 principal author: JANE PEARSON

1 PURPOSE

- 1.1 To approve the revised revenue budget for 2020/21.
- 1.2 To consider and recommend a revenue budget and council tax requirement for 2021/22 to Full Council on 2 March 2021.

2 CURRENT YEAR'S REVISED BUDGET 2020/21

Background

- 2.1 The revised budget for 2020/21 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 3% for pay increases. The actual pay award was settled at 2.75%.
- 2.3 The revised budget now forecasts that there will be an increase of £44k in how much we need to take from general fund balances to balance our budget. This is shown in the summary below.

Committee	Original 2020/21 £	Revised 2020/21 £	Difference £
Planning and Development	570,540	393,910	-176,630
Community Services	4,205,110	4,367,450	162,340
Economic Development	311,360	304,580	-6,780
Health and Housing	1,109,870	733,360	-376,510
Policy and Finance	2,195,210	2,155,260	-39,950
Total of Committees	8,392,090	7,954,560	-437,530
Capital Adjustments:			
Depreciation	-1,103,640	-885,330	218,310
Minimum Revenue Provision	117,667	115,496	-2,171
Total Expenditure	7,406,117	7,184,726	-221,391
Other Items	-3,856,236	-6,590,716	-2,734,480
Less Added to/(taken from) Earmarked Reserves	1,707,099	4,706,569	2,999,470
General Balances	-142,812	-186,411	-43,599
Net Expenditure	5,114,168	5,114,168	0
Parishes	507,581	507,581	0
Budget Requirement	5,621,749	5,621,749	0

Changes in Expenditure

- 2.4 Committee expenditure has fallen by £438k. However this is before the removal of depreciation and 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.

Impact of Covid

- 2.6 In year we have received £803,272 of unringfenced emergency funding from the Government. To date we have allocated this funding over the following estimated full year Covid expenditure pressures.

Covid Expenditure Pressure Area	Estimated Costs Pressure in 2020/21 £
CDTTR - Testing, contact tracing and outbreak planning	75,000
CDCUL - Culture & Related - Sports, Leisure & Community	20,000
CDENR - Environmental & Regulatory	3,000
CDFCO - Finance & Corporate - Other	150,000
CDHOU - Homelessness services	50,000
CDHUB - Other Shielding (Hub)	75,000
CDICT - Finance & Corporate - ICT & Remote working	75,000
CDPPE - Other -PPE	40,000
CDREF - Waste Management	60,000
CDRNT - Rent Allowances	188,000
CDRVB - Finance & Corporate - Revenues and Benefits expansion	20,000
CDLRO - lockdown compliance and enforcement	100,000
	856,000

- 2.7 This income from the emergency funding and also the costs of the expenditure pressures have not been included within committee estimates.
- 2.8 The Government also launched the Sales, Fees and Charges income support scheme to recognise the impact the pandemic has had on income from sales, fees and charges.
- 2.9 They introduced a co-payment scheme to compensate councils for relevant unforeseen losses that are irrecoverable. Councils absorb the first 5% of all relevant irrecoverable losses compared to their original budget, with the Government compensating councils for 75 pence in every pound of loss thereafter. By introducing a 5% deductible, the Government is accounting for an acceptable level of volatility, whilst shielding councils from significant losses.

Service	Full Year Budget	April to July Losses	August to November Losses	Extrapolated for the Full Year	Government Fund 75%	Balance Not Funded by the Government
	£'000	£'000	£'000	£'000	£'000	£'000
Off Street Parking	461	65	23	133	82	50
Recreation and Sport	524	87	83	254	171	83
Culture and Heritage	122	22	19	62	42	20
Public Health	24	2	0	3	2	2
Regulatory Services	27	4	5	14	9	4
Development Control	247	70	120	247	176	71
Civic Halls	2	2	0	2	2	1
Trade Waste	416	44	-15	44	18	27
Central Services	101	59	27	101	72	29
		356	263	860	573	287

- 2.10 The Spending Review confirmed that the Government will also compensate local authorities for 75% of irrecoverable losses in council tax and business rate income in respect of 2020/21. This will be determined at the end of the financial year when final figures are known. We have not allowed for any compensation at this stage.

Movement in Business Rate Income

- 2.11 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 2020/21 £	Revised Estimate 2020/21 £
Total Business Rate income to be collected as per NNDR1	15,282,796	15,282,796
RVBC Share (40%)	6,113,118	6,113,118
Top-up/(Tariff)	-4,311,424	-4,311,424
Share after Tariff	1,801,694	1,801,694
Baseline Funding Level	-1,354,393	-1,354,393
Business Rates Income Above Baseline	447,301	447,301
Less 10% of retained levy payable to LCC	-67,385	-72,529
Add Renewable Energy	96,180	100,000
Add Business Rates Surplus/(Deficit)	252,894	252,894
Add share of S31 Grant (after adj re multiplier cap)	1,252,043	3,942,197
Add transfer to S31 Grant Adjustment Reserve	0	-2,578,153
Total BR Income above baseline for RVBC	1,981,033	2,091,710

- 2.12 When setting the original budget we agreed in year use of £875,514 to fund the revenue budget and £60,880 to fund the capital programme. Based on the latest position we expect in year to receive £2.092m, use £100,200 to fund the capital programme, use £875,514 to fund the base revenue budget and use £32,220 of further revenue in year expenditure approved by the emergency committee.. The revised difference of £1,083,776 will be added to the business rate growth reserve.
- 2.13 This is after allowing for the surplus carried forward from 2019/20 of £252k. 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.
- 2.14 There are further in year complications due to the late announcement in March 2020 of 100% retail discount and the issuing of new regulations in December to enable the repayment of collection fund deficits arising in 2020/21 to be spread over the next three years rather than the usual period of a year.

Movement in Earmarked Reserves

- 2.15 Annex 2 shows the forecasted transfers to and from earmarked reserves compared with the original estimate. In summary the net position is that we anticipate adding £2.999m more to earmarked reserves in the current year than originally forecasted. This is largely due to timing differences. We have received section 31 grants paid to us by the Government for 100% business rate retail discount which need to be carried forward to offset the deficit we will face next year. The full amount of section 31 grant for retail discount was paid to billing authorities instead of just our share. This was deliberate to assist cash flow pressures due to the pandemic in 2020/21. The balance needs to be paid over to the Government and major preceptors in 2021/22.

Overall Changes

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

	Difference £000
Committees	-437
Depreciation	216
Other Items	-2,734
Use of Earmarked Reserves	2,999
Net change	44

- 2.17 This shows that the Council is slightly worse off by **£44k** compared with the original estimate. Therefore instead of taking **£142k** from general fund balances at the end of the year, based on these revised estimates we would be taking **£186k** from balances.

3 THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2021/22

Final 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 final expected position.

2021/22	
£m	
Settlement Funding Assessment	1.354393
of which:	
Revenue Support Grant	0
Baseline Funding Level	1.354393
New Homes Bonus	1.515848
Rural Services Delivery Grant	0.113250
Lower Tier Services Grant	0.057696

Rural Services Delivery Grant

- 3.2 The Government have announced that they will continue with the Rural Services Delivery Grant next year and increase the overall level by £4m to £85m. This is a grant paid to the top quartile of local authorities on the basis of the super-sparsity indicator, in recognition of possible additional costs for rural councils.
- 3.3 For Ribble Valley we will receive £113,250. This will be paid as a separate grant.
- 3.4 From 2017/18 onwards it was agreed this funding will be used to support our net revenue expenditure.

Lower Tier Services Grant

- 3.5 This is a new one off grant for 2021/22 due to the current exceptional circumstances. This will be paid to district councils and unitary authorities.
- 3.6 Ribble Valley will receive £57,696.

Future Years Government Funding

- 3.7 2021/22 is a one year settlement.
- 3.8 The Government have further 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
- 3.9 They have also announced the New Homes Bonus Scheme will be reformed from 2022/23.
- 3.10 We received notification of the final settlement figures on 4 February 2021.

Council Tax Referendum Criteria

- 3.11 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.
- 3.12 For 2021/22 the Government have announced the core referendum thresholds:
- a core principle of up to 2 per cent applying to shire county councils, unitary authorities, London borough councils, the City of London, the Isles of Scilly, the GLA general precept and fire and rescue authorities.
 - a continuation of the Adult Social Care precept, with an additional 3 per cent flexibility available for social care authorities on top of the core principle. This can be spread over two years.
 - 2 per cent or £5, whichever is higher, for shire district councils.
 - £15 for Police and Crime Commissioners.
 - no referendum principle for Mayoral Combined Authorities or town and parish councils
- 3.13 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 on our Band D charge.
- 3.14 A £5 increase in our share of the Council Tax would result in a Band D tax amount of £160.69 (an increase of 3.2%). This would generate £120,035 each year in extra revenue. In addition the increase in our taxbase generates a further £59,785.

	Current Council Tax £	Council Tax increased by £5.00 £
Band D Council Tax	155.69	160.69
Taxbase for 2021/22	24,007	24,007
= Council Tax Income 2021/22	3,737,650	3,857,685
Council Tax income 2020/21	3,677,865	3,677,865
Extra income from Council Tax	59,785	179,820
Of which due to increase in taxbase	59,785	59,785
Of which due to increase in council tax charge	0	120,035

4 MAJOR INCOME SOURCES

Council Tax

- 4.1 I have calculated the council taxbase in accordance with proper practices. Our council taxbase for 2021/22 is 24,007. This compares with the current taxbase of 23,623 in 2020/21.
- 4.2 A breakdown of the calculation showing the taxbase by parish is included in Annex 3.
- 4.3 Our current Band D tax is £155.69. We are in the bottom quartile of all district councils at 30th out of 188. Across Lancashire the position in 2020/21 is as follows.

Average council tax for the authority 2020/21 excluding parish precepts (Band D)			
Local authority	£	% change from 2019/20	£ change from 2019/20
LANCASHIRE			
Preston	320.75	1.99	6.25
Burnley	306.19	1.99	5.97
Rossendale	276.83	1.98	5.37
Pendle	270.62	1.99	5.28
Hyndburn	250.52	2.04	5.00
Lancaster	231.95	2.20	5.00
South Ribble	223.24	1.99	4.36
Fylde	210.71	1.99	4.11
West Lancashire	208.39	2.46	5.00
Wyre	204.74	2.50	5.00
Chorley	190.92	-0.53	-1.02
Ribble Valley	155.69	3.32	5.00

- 4.4 As shown in above the maximum income from council tax we can rely on for 2021/22 is £3,857,685 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 Our NHB allocation for next year of £1,515,848. There will be no legacy payment in respect of 2020/21, and also in respect of 2021/22 in forthcoming years. The threshold over which the bonus is paid remains at 0.4 per cent.
- 4.6 The Government aim to implement reforms to the scheme in 2022/23.
- 4.7 The New Homes Bonus makes up a considerable part of our funding.
- 4.8 We are currently relying on £1.105m each year to fund our revenue budget. We will need to consider alternatives to funding our budget going forward given the impending reforms.

4.9 The expected balance of unused New Homes Bonus at the 31 March 2021 is £2.8m. If the scheme were to cease in 2022/23 the unused NHB could cover the funding gap on our revenue budget for 2022/23 and 2023/24.

4.10 Annex 4 shows the allocation of our NHB since the start of the scheme.

Business Rates

4.11 We have now completed our NNDR1 return which were required to submit to the Government before 31 January 2021. This forms the basis of the payments we will make to central government and the major precepting authorities and ourselves next year. We obviously have to make assumptions about the potential of successful appeals, bad debts and also growth in our business rates base. In any year this is a difficult task however this is made even more so due to the pandemic. As a member of the Lancashire Business Rate Pool we anticipate our business rate income next year will be as follows.

	2020/21 Original Estimate £	2021/22 Original Estimate £
Billing Authority NNDR Income	15,282,796	15,114,383
LA share of NNDR income	6,113,118	6,045,753
Less Tariff	4,311,424	4,311,424
	1,801,694	1,734,329
Baseline Funding Level	1,354,393	1,354,393
Retained Rates Income before levy	447,301	379,936
<u>Less Payments under pooling arrangements</u>		
10% of levy paid to LCC	-67,385	-69,296
Add Section 31 Grants	1,252,043	1,196,502
Add Renewable Energy	96,180	95,687
Add Transfer from earmarked reserve re Section 31 grants	0	2,578,153
Total Business Rate Income to General Fund	1,728,139	4,180,982
Surplus/(Deficit) brought forward	252,894	-2,725,770
Total Business Rate Income	1,981,033	1,455,212
Used to fund revenue budget	-875,514	-675,514
Remaining	1,105,519	779,698

4.12 As a member of the Lancashire Business Rate Pool our share of business rate income is 40% and we will make a payment of 10% of our levy to Lancashire County Council.

4.13 The Final Local Government Grant Settlement announced that our final tariff and baseline figures will remain the same therefore we estimate that the total business rate growth income for next year will be £1,455,212. As per our budget forecast we plan to use £675k next year to fund the revenue budget.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Revised Estimate	Original Estimate	Original Estimate	Original Estimate	Original Estimate
	£	£	£	£	£	£
Business Rate Growth Used to support Revenue Budget	2,595,953	2,091,710	1,455,212	0	0	0
Additional support Revenue Budget	-675,514	-875,514	-675,514	-675,514	-675,514	-675,514
Used to support Capital Programme		-32,220				
	-1,345,397	-100,200	-37,600	-474,387		-480,680
Surplus/deficit for year	575,042	1,083,776	742,098	-1,149,901	-675,514	-1,156,194
Of which:						
Added to growth res	575,042	1,083,776	742,098	-1,149,901	-675,514	-1,156,194
<u>Business Rate Volatility Reserve</u>	575,042	1,083,776	742,098	-1,149,901	-675,514	-1,156,194
Opening Balance b/fwd	1,682,000	1,682,000	1,682,000	1,682,000	1,682,000	1,682,000
Closing Balance c/fwd	1,682,000	1,682,000	1,682,000	1,682,000	1,682,000	1,682,000
<u>Business Rate Growth Reserve</u>						
Opening Balance b/fwd	999,572	1,574,614	2,658,390	3,400,488	2,250,587	1,575,073
Closing Balance c/fwd	1,574,614	2,658,390	3,400,488	2,250,587	1,575,073	418,879

4.14 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 Reserve to support both the revenue budget and capital programme.

4.15 Even if we assume no business rate growth from 2022/23 onwards (which is unlikely), the balance on both reserves are still predicted to be in excess of £2.2m at 31/03/2025.

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 the 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.
- 5.4 I estimate the Collection Fund will produce an overall deficit of £6,855,148 this year. This consists of a surplus for council tax of £262,369 and a deficit in respect of Business Rates of £7,117,517. The deficit in respect of Business rates is mostly as a result of the reduction in income to the collection fund due to the awarding in year of £6.9m of retail discount.
- 5.5 As stated earlier in this report the Government issued regulations in December to allow local authorities to spread deficits over a three year period. This spreading only relates to the in-year deficit and does not cover deficit which is funded by Section 31 grant. For Ribble Valley the deficit to be spread has been calculated at £357,466. This therefore reduces the overall deficit in respect of Business Rates to £6,760,051.
- 5.6 The Council Tax surplus will be shared amongst all the major precepting authorities. Our share of the surplus is £24,995.
- 5.7 The Business Rates deficit will be borne by the Government, Lancashire County Council, Lancashire Combined Fire Authority and ourselves in 2021/22. Our share of the deficit is £2,725,770.
- 5.8 A statement showing the Collection Fund is attached at Annex 5.

6 REVENUE BUDGET 2021/22

Base Budget Position

Introduction

- 6.1 Committee budgets include provision for pay increases of 2% and price increases of 2%. 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 2020/21.

Committee	Original 2020/21 £	Original 2021/22 £
Planning and Development	570,540	586,760
Community Services	4,205,110	4,167,170
Economic Development	311,360	314,050
Health and Housing	1,109,870	1,053,130
Policy and Finance	2,195,210	2,257,180
Total of Committees	8,392,090	8,378,290
Capital Adjustments:		
Depreciation	-1,103,640	-889,470
Minimum Revenue Provision	117,667	107,240
Total Expenditure	7,406,117	7,596,060
Other Items	-3,856,236	-598,343
Added to/(taken from) Earmarked Reserves	3,687,613	366,885
Net Expenditure to be financed	7,237,494	7,364,602
Less Business Rates Baseline	-1,354,393	-1,354,393
Less Collection Fund Surplus	-81,910	-24,995
Less Use of NHB	-1,105,000	?
Less Use of Business Rate Growth	-875,514	?
Less Use of General Balances	-142,812	?
Council Tax Precept (23,623 * £155.69)	-3,677,865	?
Balance to be funded	0	5,985,214

- 6.3 This shows that as per the budgets agreed by service committees at their January meetings we would need to consider how to fund the balance of £5.985k after deducting the collection fund surplus and the business rates baseline funding level. The table indicates the major funding streams available to fund the revenue budget.

Committee Expenditure

- 6.4 As shown overall Committee expenditure is set to fall marginally by £14k. 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 falling from £1.104m in 2020/21 to £889K in 2021/22. This reflects the decrease in capital charges included in committee estimates due to the largely downward revaluation of our assets at 31 March 2020.

Movement of Other items

- 6.6 When we prepared our original estimate for 2020/21 we anticipated 'other items' would reduce our net budget by £3.856m however our draft budget for next year anticipates these will reduce our budget by £598k. This is a difference of £3,258k and can be explained below.

Movement on Other Items	£000
Less New Homes Bonus to be received	242
Less Business Rate Income to be received	67
Less interest receipts anticipated	25
More Rural Services Delivery Grant	-5
New Lower Tier Services Grant	-58
Provision for higher costs of repairs on Refuse Vehicles now in base budget	-50
More Section 31 Grant	56
More Business Rate Deficit (from a surplus in 2020/21)	2,979
Lower Levy Due to LCC	2
	3,258

- 6.7 By far the most significant movement is the different between our share of the Business Rate Surplus in 2020/21 to that of the deficit next year. This movement however is largely offset by the release of £2.6m from the Section 31 grant adjustment reserve next year.

Major Changes not included in Committee Budgets for 2021/22

Pay Award

- 6.8 The pay award for 2021/22 is at an early stage with the employer side awaiting a formal submission from the unions. We have allowed for a 2% increase in pay. Every 1% adds approximately £70,000 to our revenue budget.

Difficulties in Recruitment and Retention

- 6.9 We have continued to face difficulties in retaining and recruiting to posts particularly those requiring professionally qualified staff. This has been exacerbated due to the Covid pandemic. We now have a number of vacancies across the council and we may have to look again at the remuneration packages we offer.

7 BUDGET WORKING GROUP

Background

- 7.1 The Budget Working Group has considered the Council's financial position and overall budget position for next year.
- 7.2 They focussed on our key funding streams including business rate income, new homes bonus and council tax income to consider how much should be used to fund our revenue budget. The Budget Working Group have made the following recommendations.

Budget Recommendations

1. **Fees and Charges Losses due to Covid.** - We have budgeted for income within service committees on the basis of no impacts from the covid pandemic. However we do expect the pandemic to continue to impact on our income into the next financial year. The Government have announced a 3 month extension to the compensation scheme.

We therefore need to include a contingency for the balance of lost income which we have not factored into committee estimates. For the current year the potential total income loss for 12 months is estimated at £860k. We hope to be compensated by the Government's compensation scheme for £573k which leaves the remaining loss of £287k to be borne by ourselves. We have assumed we could face losses for the first six months of next year which would leave a gap of around £150k. We suggest adding this as a contingency to next year's budget.

The BWG recommend that a contingency be added to next year's budget of £150,000 for potential further income losses due to the covid pandemic

2. **New Homes Bonus**– How much of our New Homes Bonus allocation should be used to fund the revenue budget? As per the budget forecast this is currently £1,105,000 each year. We also use our New Homes Bonus to fund capital expenditure. Annex 4 sets out our allocation each year.

Though the Budget Working Group recognise the impending changes to the scheme they recommend we use £1,105,000 to fund the 2021/22 revenue budget.

3. **Business rates growth** – Do you confirm the amount of business rate growth used to support the revenue budget at the same level as the budget forecast at £675,514 next year?

The BWG recommend to use £675,514 of business rate growth to support the 2021/22 revenue budget.

4. **Council Tax** - Do you agree a £5 increase in our Band B council tax? This would take our Band D charge to £160.69?

The BWG considered the level of our council tax at £155.69 for a Band D property and given the budget pressures recommend a £5 increase in our Band D tax for 2021/22 to assist in bridging the budget gap. This would generate an extra £120,035.

5. **Use of Balances.** Do you confirm the use of balances to support the revenue budget? (general fund balances at 1/4/20 = £2.376m)

The BWG recommend using £250,000 from general fund balances as per the budget forecast. They also further recommend funding the new £150,000 contingency for losses in income from general fund balances. This takes the total amount to be used to £400,000.

If members agree with the Budget Working Group recommendations so far and we bring in the final figure of our Lower Tier Services Grant (extra £16) this leaves a budget gap of £97,015.

6. **Use of Business Rate Volatility Reserve.** This reserve stands at £1.681m and was set aside to fund volatilities in our business rate income.

The BWG recommend financing the remaining budget gap of £97,015 from the Business Rate Volatility Reserve.

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

	Original 2021/22 £
Net Expenditure to be funded	7,364,602
Add Contingency for Covid Income Losses	150,000
To be Funded	7,514,602
Less Business Rates Baseline	-1,354,393
Collection Fund Surplus	-24,995
	6,135,214
Use of General Balances	-400,000
Use of New Homes Bonus	-1,105,000
Use of Business Rate Growth	-675,514
Council Tax Precept	-3,857,685
Use of Business Rate Volatility Reserve	-97,015
Balance still to fund	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>Covid Pandemic</p> <p>The Covid pandemic has had a major impact on individuals, businesses, public services and the economy. It is impossible to assess when the pandemic will end. We will continue to face both direct and indirect impacts of the Covid Pandemic in 2021/22.</p> <p>Direct – Expenditure falling on the council and losses in income.</p> <p>Indirect – How will the economy recover post pandemic and what impact will this have on council services, council tax payers, business rate payers, the high street, car parking income, leisure activities.</p> <p>In March 2020 the Chancellor stated the councils would be fully funded for their costs in dealing with pandemic.</p> <p>The Government have said that the Sales, Fees and Charges Compensation scheme will continue for the first 3 months of 2021/22. They have also announced £1.55bn Covid-19 Expenditure Pressures Grant for 2021/22. This is additional unringfenced funding. Ribble Valley is set to receive £242,180 in April 2021.</p>

Budget Area	Measures Taken
	<p>Business Rates</p> <p>We will remain a member of the Lancashire Business Rate Pool Pilot next year. We will retain a levy which would otherwise be payable on any growth we receive above our baseline. We estimate this to be £692k, before payment of 10% is made to LCC.</p> <p>As we do each year we have to make assumptions on the level of write-off's, appeals, growth, reliefs etc. This is difficult in any year however made much worse next year due to the Covid pandemic.</p> <p>Beyond next year we await the outcome of the delayed 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>New Homes Bonus</p> <p>Our NHB allocation for next year is £1,515,848. There will be no legacy payment in respect of 2020/21, and also in respect of 2021/22 in forthcoming years. The threshold over which the bonus is paid remains at 0.4 per cent.</p> <p>The Government aim to implement reforms to the scheme in 2022/23. The New Homes Bonus makes up a considerable part of our funding and we are currently relying on £1.105m each year to fund our revenue budget.</p> <p>We will need to consider alternatives to funding our budget going forward given the impending reforms.</p> <p>The expected balance of unused New Homes Bonus at the 31 March 2021 is £2.8m. If the scheme were to cease fully in 2022/23 the unused NHB could cover the funding gap on our revenue budget for 2022/23 and 2023/24.</p> <p>Fair Funding Review</p> <p>We await the outcome of the Fair Funding Review which has been pushed back a further year. The impact of the review will no doubt be significant and we will keep the Budget Working Group updated with any developments.</p> <p>Difficulties in Recruitment and Retention</p> <p>We have continued to face difficulties in retaining and recruiting to posts particularly those requiring professionally qualified staff. This has been exacerbated due to the Covid pandemic. We now have a number of vacancies across the council and we may have to look again at the remuneration packages we offer</p> <p>Ongoing cost of Planning Appeals:</p> <p>This includes the cost of defending appeals by our own staff and also the engagement of consultants and</p>

Budget Area	Measures Taken
	<p>barristers to act on our behalf There are a number of appeals which are current. 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.</p> <p>There is also a Judicial Review brought by the Council against the Planning Inspectorate decision to award planning permission on land at Chatburn Road, Clitheroe.</p> <p>Revenue Impact of Capital Programme The revenue implications of the capital programme for 2021/22 have been built into the revenue budget.</p> <p>Income Streams 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>
Consideration of Inflation and Interest Rates	<p>Inflation has been added to appropriate budgets at 2.0% for price increases.</p> <p>The pay award for 2021/22 is at an early stage with the employer side awaiting a formal submission from the unions. We have allowed for a 2% increase in pay. Every 1% adds approximately £70,000 to our revenue budget. The prospects for interest rates are regularly reviewed.</p> <p>Obviously the prospects for inflation and interest rates will need to be closely monitored.</p>
Savings Considerations	<p>The budget reports presented to each service committee included any identified savings for 2021/22. These will be monitored closely throughout the year to ensure they are achieved.</p>
Use of reserves and balances	<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:

	£000
Opening Balance 1 April 2020	2,375
Estimated Amount to be taken from Balances in 2020/21	-186
Estimated Balances in Hand 31 March 2021	2,189

- 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 2021/22 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 7 shows the Council’s earmarked reserves together with any movements forecast for 2020/21 and the 2021/22 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 2021/22

9.1 If you agree to the Budget Working Group's recommendations, the resultant budget for 2021/22 is set out below. This would still leave £2.189m in general fund balances at the end of March 2021.

Committee	Original 2020/21 £	Original 2021/22 £
Planning and Development	570,540	586,760
Community Services	4,205,110	4,167,170
Economic Development	311,360	314,050
Health and Housing	1,109,870	1,053,130
Policy and Finance	2,195,210	2,257,180
Total of Committees	8,392,090	8,378,290
Capital Adjustments		
Less Depreciation (included in above)	-1,103,640	-889,470
Add Minimum Revenue Provision (MRP)	117,667	107,240
Total Expenditure	7,406,117	7,596,060
Other Items		
External Interest - Payable	6,020	5,510
Interest - Earned	-75,000	-50,000
Rural Services Delivery Grant	-107,921	-113,250
Lower Tier Services Grant	0	-57,696
Contingency for Refuse Vehicles	50,000	0
Contingency for Feasibility Study - Edisford Car Park Extension	10,000	10,000
Contingency for potential uncompensated lost income due to Covid-19	0	150,000
New Homes Bonus		
New Homes Bonus Allocation Received	-1,758,302	-1,515,848
Business Rates		
Retained Rates Income	-447,301	-379,936
Renewable Energy	-96,180	-95,687
Section 31 Grant for Business Rates	-1,252,043	-1,196,502
Pool Payments - Levy payable to LCC	67,385	69,296
Share of Business Rates Deficit/(Surplus)	-252,894	2,725,770
Transfer From/To Various Earmarked Reserves (Annex 7)	1,707,099	-1,510,644
Net Expenditure	5,256,980	5,637,073
Less taken from General Fund Balances	-142,812	-400,000
Agreed budget for 2020/21		
Recommended budget for 2021/22	5,114,168	5,237,073

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.

BUDGET AND COUNCIL TAX REQUIREMENT	
	£
RVBC Net Budget	5,237,073
Plus Parish Precepts (Annex 3)	503,609
	5,740,682
Less - Settlement Funding Assessment	-1,354,393
Net Requirement Before Adjustments	4,386,289
Council Tax Surplus	-24,995
Council Tax Requirement (Including Parishes)	4,361,294

11 UPDATED THREE YEAR BUDGET FORECAST

- 11.1 I have updated the three year forecast assuming the above budget for 2021/22 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 2021/22 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

	2021/22		2022/23		2023/24		2024/25	
	£		£		£		£	
Net Expenditure	7,675,029		7,699,235		7,890,486		8,095,515	
Interest Receipts	-50,000		-75,000		-75,000		-75,000	
Use of Superannuation reserve	-36,512		-36,512		-36,514		0	falls out
Rural Services Grant	-113,250		-113,250		-113,250		-113,250	
Lower Tier Services Grant	-57,680		0		0		0	
Use of Business Rate Growth	-675,514		-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	-400,000		-250,000		-250,000		-250,000	
Reductions in Expenditure Required	0		-27,180		-55,001		-130,252	
Budget Requirement	5,237,073		5,416,779		5,580,206		5,746,499	
Core Government Funding								
Revenue Support Grant	0		0		0		0	
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)	24,995		25,000		25,000		25,000	
Precept	3,857,685		4,037,386		4,200,813		4,367,106	
Tax Base	24,007		24,367	1.5% inc	24,611	1% inc	24,857	1% inc
Band D Council Tax	160.69	0%	165.69	£5 max	170.69	£5 max	175.69	£5 max
Effect of above on General Fund Balances								
General Fund Balances	2021/22		2022/23		2023/24		2024/25	
	£		£		£		£	
Brought Forward	2,189,235		1,789,235		1,539,235		1,289,235	
Used	-400,000		-250,000		-250,000		-250,000	
Carried Forward	1,789,235		1,539,235		1,289,235		1,039,235	

11.10 The above forecast shows that if our estimates are correct we will have budget shortfalls of £27k in 22/23, £55k in 23/24 and £130k in 24/25 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 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 2021/22 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 estimated 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 2020/21 £	Estimated Band D Council Tax 2021/22 £	change
Ribble Valley		155.69	160.69	3.2%
Parishes (average)		21.49	20.98	-2.4%
Lancashire County Council	11 Feb 21	1,400.32	1,470.20	4.99%*
Police and Crime Commissioner		211.45	226.45	7.1% (£15)
Lancashire Combined Fire Authority	22 Feb 21	70.86	72.27	1.99%
		1,859.81	1,950.59	4.88%

*Includes 3% social care precept

13 RECOMMENDED THAT COMMITTEE

- 13.1 Approve the revised budget for 2020/21.
- 13.2 Approve the Budget Working Group's recommendations and set a budget and council tax requirement for 2021/22 as set out in Section 10.
- 13.3 Recommend the budget and council tax requirement to the Full Council meeting on 2 March 2021.

DIRECTOR OF RESOURCES
/JP/AC

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

COMMUNITY COMMITTEE

Description	Variance Original Estimate 2020/21 to DRAFT Revised Estimate 2020/21
<p>VARIOUS: Capital Decreases to depreciation as result of a reduction in the revaluation of various assets in particular Ribblesdale Pool -£70,720, Castle Museum -£33,980, Museum Café -£11,690, Mardale Pavilion and Edisford Changing Rooms -£24,450.</p>	-173,700
<p>VARIOUS: Car Parks A large decrease in car parking charges £223,530 as a consequence of reduced usage, due to the pandemic. This is partly offset by grant funding from central government of £90,290.</p>	133,240
<p>CLRFF: Clitheroe Food Festival A net saving has resulted from the cancelling of the 2020 food festival due to the pandemic.</p>	-21,390
<p>RPOOL: Ribblesdale Pool Decrease in income at the pool is £357,930 as a consequence of the pool closure and social distancing restrictions due to the pandemic. This is partly offset by grant funding from central government £168,840.</p>	189,090
<p>VARIOUS: Refuse Collection Vehicles Increase to the repairs and maintenance budget for refuse collection vehicles due to a continued increase in repairs experienced in recent years. This is the movement of the amount previously held corporately as a contingency in 2020/21 now being released and provided against the service.</p>	50,000

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

ECONOMIC DEVELOPMENT COMMITTEE

Description	Variance Original Estimate 2020/21 to DRAFT Revised Estimate 2020/21
<p>INDDV - Economic Development Vired budget from Policy and Finance committee services (Clitheroe Interchange) to help support further promotional activities to the end of the financial year. Other resources have been used to fund the capacity analysis for the Clitheroe to Hellifield Rail Project.</p>	5,340
<p>INDDV - Economic Development Decrease in support service costs mainly due to staff vacancy savings within the Economic Development and Planning Department.</p>	-13,340
<p>INDDV - Economic Development Reduction in the depreciation charge due to a delay in the planned installation of gateway signs at Whalley, Longridge and Clitheroe.</p>	-6,670
<p>RHSSF – Reopening High Streets Safely Fund Expenditure of £28,370 was incurred on posters, signage and measures taken to temporarily divert traffic in Clitheroe and Longridge town centres, to encourage shoppers back to the High Street in a safe environment following the ending of the first lockdown. There was no budget provided for this as the pandemic had not begun when the budget was originally set. Partly off-setting this is forecast funding from the government of £23,650 in respect of eligible expenditure.</p>	4,720

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

HEALTH AND HOUSING COMMITTEE

Description	Variance - Original Estimate 2020/21 to Revised Estimate 2020/21 £
<p>AFHOU – Affordable Rent Properties Section 106 monies used to finance estimated capital expenditure of £266,610 on the Longridge Affordable Housing and Clitheroe Affordable Housing capital schemes in 2020/21 will be released from the Section 106 fund and recognised as income in the Affordable Rent Properties cost centre in-year.</p> <p>An associated transfer of this income to the Capital Reserve at year-end will complete the financing of the capital expenditure that has taken place in-year and the £266,610 budget variance shown here will be reduced to nil.</p>	-266,610
<p>VARIOUS – Support Services Estimated net reduction in support services recharges across all cost centres. This is mainly due to reduced support service recharges totaling -£81,370 in the following service areas due to lower costs caused by staff vacancies in-year:</p> <ul style="list-style-type: none"> - Chief Executive’s recharge to Environmental Health Services, -£38,230. - Chief Executive’s recharge to Dog Warden & Pest Control, -£18,300. - Resources recharge to Local Council Tax Support Admin, -£13,020. - Resources recharge to Housing Benefits, -£11,820. <p>These reduced recharges are partly offset by a net increase in support services recharges of £17,190 across all other cost centres.</p>	-64,180
<p>VARIOUS – Homelessness Grants and Funding £40,000 of Flexible Homelessness Support Grant and £13,390 of Homelessness Reduction Act funding has been received in-year from MHCLG which had not been budgeted for. The Council was not informed of the funding allocations until after the Original Estimate budget was set. The funding received has been allocated to several cost centres to support specific homelessness estimated costs in-year:</p> <ul style="list-style-type: none"> - Homelessness Strategy, -£42,470. - Joiners Arms (homelessness unit), -£5,470. - Housing Benefits, -£5,450. <p>It is estimated that £33,830 of this ring-fenced grant funding will be unspent in-year and will be transferred to the Housing Related Grants Reserve at year-end for use on supporting additional homelessness expenditure in future years. This transfer will reduce the budget variance</p>	-53,390

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

Description	Variance - Original Estimate 2020/21 to Revised Estimate 2020/21 £
<p>HGBEN – Housing Benefits Increased housing benefits administration grant and other new burdens work grant income received in-year from the DWP. The Council was not notified of the yearly funding levels for these grants until after the original estimate budget was set.</p>	-7,600
<p>DOGWD – Dog Warden & Pest Control Estimated reduced pest control income for the year, because no in-house pest control work was undertaken between April and December 2020 due to Covid-19 restrictions between April and July 2020 and no trained pest control officer in place at the Council until January 2021.</p>	+8,710
<p>ENVHT – Environmental Health Services Estimated net under-recovery of income from private water supplies sampling and risk assessments work in-year. This is because no work was undertaken between April and June 2020 due to Drinking Water Inspectorate Covid-19 guidance and since then the work has been on-hold due to the reduced Environmental Health team resources, caused by vacancies and sickness absence, being focused on other priority areas of work.</p>	+8,080
<p>UCRED – Universal Credit Universal Credit Service funding received for 2020/21 is lower than budgeted for, because DWP reduced the funding significantly and the Council was not notified of the yearly funding level until after the original estimate budget was set.</p>	+6,070

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

PLANNING AND DEVELOPMENT COMMITTEE

Description	Variance Original Estimate 2020/21 to Revised Estimate 2020/21 £
<p>LPLAN: Local Plan</p> <p>Work on the local plan has been delayed this year as a result of the diversion of staff resources to the Covid 19 response. The Pandemic also introduced delays in working with suppliers to progress commissioning.</p> <p>A key piece of work for this year is the commissioning of the Sustainability Consultancy which was due to be commissioned at the end of August. This commission has been held, due to the government publishing its proposals to reform the planning system, the implications of which need to be considered in terms of overall time-frames and avoiding the risk of undertaking abortive work for the local plan.</p> <p>It is now expected that spend will progress in the new calendar year, but as a result of the delays experienced the spend profile in the current financial year has reduced.</p>	-135,000
<p>PLANG: Planning Control and Enforcement</p> <p>Planning income has been impacted by the coronavirus pandemic and subsequent slowdown in the economy, which has resulted in a significant variance to the amount of income received for the period to November when compared with the original estimate.</p> <p>Income estimates have now been revised down for the year by £246k for planning fees and £16k for pre-application advice fees and includes the assumption that income for the December to March period will be 30% lower than originally estimated.</p>	262,710
<p>In September, Central Government launched the Local Government income compensation scheme for lost income from sales, fees and charges as a result of COVID-19. A budget has been brought in as an estimate for the net amount claimable in respect of the above lost income.</p>	-169,040
<p>COUNT: Countryside Management</p> <p>A budget of £13.5k for the year is available to support projects aimed at conserving, enhancing and protecting the countryside and natural environment. There isn't currently a formal grant scheme in operation, with requests for funding brought to committee on an ad-hoc basis following receipt of applications for support.</p> <p>Following review of the current budget position it is estimated that the</p>	-5,070

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

Description	Variance Original Estimate 2020/21 to Revised Estimate 2020/21 £
<p>PRIML: Primrose Lodge</p> <p>This budget movement is to allow for the release of final section 106 monies for use on the Primrose Lodge capital scheme. There is an associated movement in earmarked reserves to transfers the funds to the capital earmarked reserve to finance the final expenditure on the capital scheme during the 2020/21 financial year. After this movement in reserves the net budget variance in this area is nil.</p>	-48,670
<p>ECPLA: Economic Development and Planning Department</p> <p>Council staffing budgets at original estimate assume an average vacancy saving of 4% across the council on estimated costs. Actual vacancy savings within the Economic Development and Planning Department have exceeded those built into the budget, bringing about an underspend for the year.</p> <p>Following a full analysis at revised estimate of year to date expenditure and estimated recruitment timescales the budget estimates have been reduced.</p>	-68,540
<p>CINTR: Clitheroe Integrated Transport Scheme</p> <p>A budget had been set aside for the annual contribution to Lancashire County Council towards the running costs of the Clitheroe Interchange. The contribution is no longer required following LCC's decision to withdraw the service during the 2019/20 financial year and as such the budget has been removed at revised estimate for the current year.</p>	-5,340

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

POLICY AND FINANCE COMMITTEE

Description	Variance Original Estimate 2020/21 to DRAFT Revised Estimate 2020/21 £
<p><u>CEEXEC: Chief Executive's Department</u> Council staffing budgets at original estimate assume an average vacancy saving of 4% across the authority on estimated costs. Actual vacancy savings within the Chief Executive's Department have exceeded those built into the budget, bringing about an underspend for the year. Following a full analysis at revised estimate of year to date expenditure and estimated recruitment timescales the budget estimates have been reduced by -£70k at revised estimate.</p> <p>The savings above have been partially offset by the engagement of an external pest control service to ensure continuation of the service during a period of staff shortages (£4k).</p>	-66,090
<p><u>CIVCF - Civic Functions</u> Reductions to various estimated costs within the Civic Functions cost centre have reduced the overall expenditure estimate for the current financial year by 20k. Mainly due to the cancellation of annual council (-£3.5k), reductions to employee estimated costs (-£4.5k), movement on estimated food and drink expenditure budgets (-£3.4k) and reduced expenditure on the Mayoral and Deputy Mayoral allowances (-£5.9k).</p>	-20,550
<p><u>CLOFF - Council Offices</u> Funds were set aside in an earmarked reserve at the end of the 2018/19 financial year for the cost of redecorating the council offices. As the project has now started budgets for the expenditure and movement in reserve have been established at revised estimate.</p>	27,950
<p><u>CLTAX: Council Tax</u> As a result of the coronavirus pandemic summonses are not currently being issued in respect of council tax arrears, reducing income received for the recovery of direct and indirect costs.</p> <p>In September, Central Government launched the Local Government income compensation scheme for lost income from sales, fees and charges as a result of COVID-19. A budget has been brought in as an estimate for the net amount claimable in respect of the above.</p>	81,790
<p><u>COMPR: Computer Services</u> Funds received from the Local Government Association during the 2018/19 financial year to meet the cost of external consultancy support to undertake a review of the council's resilience and recovery arrangements are set aside in reserve. Due to service pressures the review is unlikely to take place in the current financial year and budgets that include provision for the cost of implementing recommendations that may arise as a result of the review have therefore been reduced at revised estimate.</p>	-6,690

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

Description	Variance Original Estimate 2020/21 to DRAFT Revised Estimate 2020/21 £
<p>Estimated annual software maintenance costs have been increased, mainly as a result of the implementation of Microsoft 365 which has brought about an additional annual cost of £22k for backup and security software (approved at P&F Committee in November 2020). The costs for the 2020/21 financial year are to be funded partly from savings in the post of ICT Apprentice and partly from the equipment earmarked reserve.</p>	19,910
<p>Consultancy costs for implementation of Microsoft 365 as approved by P&F Committee in November 2020. To be fully funded from the Business Rates Growth Earmarked Reserve.</p>	13,630
<p><u>COSDM - Cost of Democracy</u> Delayed implementation of the modgov system, which is expected to be live early in 2021, has reduced annual software maintenance estimated costs for the current year.</p>	-7,090
<p>The annual estimated cost of members allowances has been revised down following review at revised estimate (-£5k), conference expenses are now expected to be minimal as conferences are cancelled as a result of COVID-19 (-£3k) and the budget for committee meeting expenses has been reduced as meetings under social distancing rules are being held online (-£3k).</p>	-11,100
<p><u>CSERV: Corporate Services</u> The estimate for the cost of annual surveys this year has been reduced by -£7k following a delay to the issue of surveys including the biennial resident perception survey due to COVID-19.</p>	-7,430
<p>The estimated cost of producing the Ribble Valley News publication has reduced by -£5k this year following cancellation of the spring edition as a result of the pandemic and there are also estimated savings of around -£3k within the promotional activities budget.</p>	-7,810
<p><u>ELECT: Register of Electors</u> It has not been necessary to employ staff this year to carry out the annual canvass because contact has been initiated over the telephone in order to comply with COVID-19 social distancing rules.</p>	-7,890
<p>The Cabinet Office have introduced changes to the annual canvass process from this financial year. Household property data is now securely matched with central government information prior to the posting of Household Enquiry Forms. Where data agrees it is not necessary to post reminders and this has reduced estimated postage and printing costs at revised estimate.</p>	-8,720

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

Description	Variance Original Estimate 2020/21 to DRAFT Revised Estimate 2020/21 £
<p><u>FGSUB: Grants and Subscriptions</u> The budget for estimated concurrent function grant expenditures for the year has been reduced down to £25k following the reimbursement of actual grant claims of £22.9k which are lower than that allowed for within the budget provision.</p>	-7,550
<p><u>FREED: Freedom of the Borough march</u> The regimental freedom parade which was due to take place in April 2020 was cancelled as a result of the pandemic and the budget has now been moved to the 2021/22 financial year.</p>	-7,500
<p><u>FMISC: Finance Miscellaneous</u> Increase to the external audit fee budgets following a revision to fee structures as a result of additional work undertaken (Accounts and Audit Committee November 2020). 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 at the end of the financial year.</p>	21,990
<p>A lump sum payment in advance of the council's monthly pension liability was expected to be made to Lancashire County Council in April 2020 – rather than monthly payments. Cashflows were reviewed in March following the economic shock resulting from COVID-19 and the decision was made to pay the council's liability on a monthly basis without the advanced payment. A movement to the pensions triennial revaluation reserve for potential savings brought about as a result of the advance payment will no longer be taking place.</p>	-6,410
<p><u>LICSE: Licensing</u> Income receipts from licensing fees have reduced this year as a result of the economic impact of COVID-19, mainly within the events (£4k) and taxi licensing income streams (£10k). In September, Central Government launched the Local Government income compensation scheme for lost income from sales, fees and charges as a result of COVID-19. A budget has been brought in as an estimate for the net amount claimable in respect of the licensing income stream for the year.</p>	38,700
<p><u>LANDC: Land Charges</u> Income estimates for land charges have been increased this year following a request from an organisation in November to undertake bulk searches on a number of properties within the Borough, generating income above that estimated within the base budget.</p>	14,310
	-7,020
	-20,270

**SPECIAL POLICY & FINANCE COMMITTEE
VARIATIONS BETWEEN ORIGINAL AND REVISED ESTIMATE 2020/21**

Description	Variance Original Estimate 2020/21 to DRAFT Revised Estimate 2020/21 £
<p><u>RESOR: Resources Department</u> Following a full review of current year costs at revised estimate, vacancy savings for the year within the Resources Department are expected to be lower than that built into the budget at original estimate, resulting in an increase to estimated employee costs.</p>	6,860
<p><u>SUPDF: Superannuation deficiency payments</u> The annual estimated cost of the superannuation scheme deficiency payments has been revised down following a full review of payments to date.</p>	-8,080
<p><u>VARIOUS: Travel and subsistence expenses</u> There have been lower travel and subsistence expenses claims this year than allowed for within committee budgets, likely as a result of employee vacancies and compliance with COVID-19 social distancing rules. Chief Executives Department -£6k, Resources Department -£4k, Cost of Democracy -£4k.</p>	-14,340
<p><u>VARIOUS: Enterprise Agreements</u> The council's three-year agreement for Microsoft licensing products ended this year and a tendering exercise was carried out for the renewal.</p> <p>Options were submitted to Emergency Committee in June 2020 and a new 3-year contract option was approved which increased costs within P&F Committee by £19k for the 2020/21 financial year. The net impact of year one costs on the revised estimate is largely offset via funding of £16k out of the Business Rates Growth earmarked reserve.</p>	19,030
<p><u>Support Service Costs</u> There is a net increase in inter-departmental costs to this committee following changes to various departmental cost allocations</p>	62,360
<p><u>Movement in capital (depreciation charges)</u> There is a net reduction in the estimated capital charge for the 2020/21 financial year.</p>	-34,480

SPECIAL POLICY & FINANCE COMMITTEE
REVENUE APPROPRIATIONS TO AND FROM EARMARKED RESERVES 2020/21

	Original Estimate 2020/21 £	Revised Estimate 2020/21 £
Reserves for Shorter Term Service Commitments		
Refuse Collection	-8,910	-9,260
Amenity Cleansing Reserve	-4,920	
Clitheroe Food Festival	-5,460	1,700
Two-Way Radio Reserve		-300
Total Reserves for Shorter Term Service Commitments	-19,290	-7,860
Reserves to Smooth the Revenue Impact of Longer Term Cyclical Costs		
Elections Fund	30,000	30,000
Revaluation of Assets Reserve	2,190	2,190
Pensions Triennial Revaluation Reserve	38,700	
Total Reserves to Smooth the Revenue Impact of Longer Term Cyclical Costs	70,890	32,190
Reserves for Trading or Business Units		
Building Control Fund	-16,150	3,850
Total Reserves for Trading or Business Units	-16,150	3,850
Reserves for Sums Set Aside for Major Schemes such as Capital Projects		
Capital		317,780
Total Reserves for Sums Set Aside for Major Schemes such as Capital Projects	0	317,780
Reserves for Longer Term Strategic or Corporate Items		
VAT Shelter Reserve		6,410
Repairs and Maintenance		-27,950
Post LSVT	-36,512	-36,512
Equipment Reserve		-23,420
Invest to Save Fund		5,510
Business Rates Volatility Reserve		
Business Rates Growth Reserve	1,105,519	1,183,976
New Homes Bonus Reserve	653,302	665,952
Total Reserves for Longer Term Strategic or Corporate Items	1,722,309	1,773,966

**SPECIAL POLICY & FINANCE COMMITTEE
REVENUE APPROPRIATIONS TO AND FROM EARMARKED RESERVES 2020/21**

Reserves for External Funding where Expenditure has yet to be Incurred		
Pendle Hill User Reserve		-2,180
Crime Reduction Partnership Reserve	-14,340	
Housing Related Grants Reserve	-36,320	21,720
Planning Policy Related Grants Reserve		-2,000
Parish Grant Reserve		-1,940
Flood Resilience, Response and Recovery Grant Reserve		-2,000
Cyber Resilience Grant Reserve		3,000
LCTS New Burdens Grant Reserve		-1,600
Parks Improvement Funding Reserve		-6,510
Business Rates S31 Grant Adjustment Reserve		2,578,153
Total Reserves for External Funding where Expenditure has yet to be Incurred	-50,660	2,586,643
Total of all Earmarked Reserves	1,707,099	4,706,569

**SPECIAL POLICY & FINANCE COMMITTEE
PARISH PRECEPTS**

Band D Equivalent Tax Base	Parish Council	Parish Precept 2021/22 £	Parish Precept 2020/21 £	Increase / (Decrease) in Precept £	Band D Equivalent Tax 2021/22 £	Band D Equivalent Tax 2020/21 £	Increase / (Decrease) in Band D Tax £	Increase / (Decrease) in Band D Tax %
470	Aighton, Bailey & Chaigley	6,000	5,600	400	12.77	12.39	0.38	3.03%
199	Balderstone	4,000	3,000	1,000	20.10	15.15	4.95	32.68%
618	Barrow	14,430	12,935	1,495	23.35	23.35	0.00	0.00%
210	Bashall Eaves, Great Mitton & Little Mitton	1,624	1,624	0	7.73	7.92	-0.19	-2.36%
2,149	Billington & Langho	21,960	21,960	0	10.22	10.22	0.00	-0.01%
487	Bolton by Bowland, Gisburn Forest & Sawley	17,000	33,000	-16,000	34.91	67.76	-32.85	-48.48%
72	Bowland Forest (High)	2,167	2,167	0	30.10	28.89	1.21	4.18%
80	Bowland Forest (Low)	1,200	1,200	0	15.00	15.00	0.00	0.00%
84	Bowland with Leagram	900	900	0	10.71	10.84	-0.13	-1.16%
391	Chatburn	11,372	11,372	0	29.08	28.94	0.14	0.50%
519	Chipping	8,678	8,280	398	16.72	16.56	0.16	0.97%
515	Clayton le Dale	3,000	3,000	0	5.83	5.77	0.06	0.96%
5,705	Clitheroe	117,079	116,845	234	20.52	21.06	-0.54	-2.55%
47	Dinckley	0	0	0	0.00	0.00	0.00	-
50	Downham	0	0	0	0.00	0.00	0.00	-
105	Dutton	500	500	0	4.76	4.85	-0.09	-1.82%
227	Gisburn	5,500	5,275	225	24.23	23.34	0.89	3.81%
359	Grindleton	8,000	8,000	0	22.28	22.04	0.24	1.11%

**SPECIAL POLICY & FINANCE COMMITTEE
PARISH PRECEPTS**

Band D Equivalent Tax Base	Parish Council	Parish Precept 2021/22 £	Parish Precept 2020/21 £	Increase / (Decrease) in Precept £	Band D Equivalent Tax 2021/22 £	Band D Equivalent Tax 2020/21 £	Increase / (Decrease) in Band D Tax £	Increase / (Decrease) in Band D Tax %
50	Horton	0	0	0	0.00	0.00	0.00	-
76	Hothersall	1,000	1,000	0	13.16	13.33	-0.17	-1.29%
2,944	Longridge	79,093	76,250	2,843	26.87	26.60	0.27	1.00%
8	Mearley	0	0	0	0.00	0.00	0.00	-
985	Mellor	25,000	24,000	1,000	25.38	24.46	0.92	3.76%
20	Newsholme	0	0	0	0.00	0.00	0.00	-
144	Newton	2,000	2,000	0	13.89	13.99	-0.10	-0.72%
105	Osbaldeston	1,000	1,000	0	9.52	9.52	0.00	0.04%
44	Paythorne	0	0	0	0.00	0.00	0.00	-
112	Pendleton	1,600	1,500	100	14.29	14.02	0.27	1.90%
283	Ramsgreave	3,298	3,000	298	11.65	10.56	1.09	10.36%
581	Read	10,836	10,449	387	18.65	18.30	0.35	1.92%
662	Ribchester	9,826	9,826	0	14.84	14.93	-0.09	-0.58%
233	Rimington & Middop	6,500	6,500	0	27.90	27.66	0.24	0.86%
543	Sabden	15,880	15,420	460	29.24	29.48	-0.24	-0.80%
191	Salesbury	4,800	4,800	0	25.13	25.26	-0.13	-0.51%
502	Simonstone	8,400	8,400	0	16.73	16.90	-0.17	-0.99%
152	Slaidburn & Easington	2,050	2,050	0	13.49	13.40	0.09	0.65%

**SPECIAL POLICY & FINANCE COMMITTEE
PARISH PRECEPTS**

Band D Equivalent Tax Base	Parish Council	Parish Precept 2021/22 £	Parish Precept 2020/21 £	Increase / (Decrease) in Precept £	Band D Equivalent Tax 2021/22 £	Band D Equivalent Tax 2020/21 £	Increase / (Decrease) in Band D Tax £	Increase / (Decrease) in Band D Tax %
169	Thornley with Wheatley	1,500	1,500	0	8.88	8.82	0.06	0.63%
35	Twiston	0	0	0	0.00	0.00	0.00	-
451	Waddington	13,500	13,500	0	29.93	29.74	0.19	0.65%
367	West Bradford	7,490	7,307	183	20.41	20.07	0.34	1.69%
1,758	Whalley	60,823	58,320	2,503	34.60	33.42	1.18	3.52%
1,079	Wilpshire	18,717	18,350	367	17.35	16.98	0.37	2.16%
181	Wiswell	6,886	6,751	135	38.04	37.30	0.74	2.00%
45	Worston	0	0	0	0.00	0.00	0.00	-
24,007		503,609	507,581	-3,972				

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

Relates to:	Received in year												2023/24
	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										502,733			
2021/22											637,380		
2022/23												?	
2023/24													?
0	62,046	179,645	367,698	594,806	968,616	1,366,884	1,576,990	1,575,908	1,666,486	1,770,952	1,515,848	464,389	0
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	1,105,000
Revenue in year						6,000							
Capital	0	0	100,000	85,000	35,662	57,749	175,618	139,469	361,547	229,150	241,040	70,960	306,637
Adjustment	60,000	60,000	160,000	418,780	711,727	850,710	968,697	1,244,469	1,466,547	1,334,150	1,346,040	1,175,960	1,411,637
Unallocated	2,046	119,645	217,727	165,997	256,889	516,174	608,293	331,439	199,939	436,802	169,808	-711,571	-1,411,637
Bal C/fwd	2,046	121,691	339,418	505,415	762,304	1,278,478	1,886,771	2,218,210	2,418,149	2,854,951	3,024,759	2,313,188	901,551

**SPECIAL POLICY & FINANCE COMMITTEE
COLLECTION FUND**

	Original 2020/21 £	Revised 2020/21 £
Expenditure		
Council Tax Precepts:		
Lancashire County Council	33,079,759	33,079,759
Police & Crime Commissioner for Lancashire	4,995,084	4,995,084
Lancashire Combined Fire Authority	1,673,926	1,673,926
Ribble Valley incl Parishes	4,185,446	4,185,446
Allocation of Council Tax Surplus for Year:		
Ribble Valley	81,910	81,910
Lancashire County Council	648,385	648,385
Lancashire Combined Fire Authority	33,455	33,455
Police & Crime Commissioner for Lancashire	96,998	96,998
Allocation of Business Rates Surplus:		
Central Government	117,836	117,836
Ribble Valley	252,893	252,893
Lancashire County Council	78,492	78,492
Lancashire Combined Fire Authority	6,763	6,763
Cost of Collecting NNDR	90,775	90,775
Distribution of Business Rates:		
Central Government	7,641,398	7,641,398
Ribble Valley	6,113,118	6,113,118
Lancashire County Council	1,375,452	1,375,452
Lancashire Fire Authority	152,828	152,828
Enterprise Zone	123,112	0
Renewable Energy Schemes	96,180	100,000
Transitional Protection Payments	0	5,518
NNDR - Bad Debts Provision	161,343	200,000
NNDR - Appeals Provision	484,029	616,755
Council Tax - Bad Debts Provision	331,996	200,000
	61,821,178	61,746,790
Income		
Surplus Brought Forward:		
Council Tax	860,748	782,758
Business Rates	455,984	320,048
Council Tax Income	44,266,211	44,474,573
Transitional Protection Payments due to the authority	103,920	21,533
Business Rates	16,134,315	9,292,730
	61,821,178	54,891,642
CTAX - Surplus/Deficit) Carried Forward	0	262,369
NNDR - Surplus/Deficit) Carried Forward	0	-7,117,517
Total Surplus/(Deficit)	0	-6,855,148

**SPECIAL POLICY & FINANCE COMMITTEE
COLLECTION FUND**

Calculation of Spread Amount for in-year Business Rate Deficit	£	21/22 Deficit to apportion £	Adjustment for 3 year spread £
Deficit	-7,117,517		
Remove Deficit relating to Funded Reliefs	-6,445,382	-6,445,382	
Adjusted Deficit (ie which can be spread) carried forward to 21/22	-672,135		
Less Deficit from previous year carried forward to 21/22	-135,936	-135,936	
Exceptional Balance	-536,199		
Spread amount for one year carried forward to 21/22	-178,733	-178,733	
2/3 of spread amount to carry forward to 2022/23 and 2023/24	-357,466		-357,466
Remove Deficit relating to Funded Reliefs		-6,760,051	-357,466

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2020/21 OE TO 2021/22 OE**

COMMUNITY COMMITTEE

Description	Variance Original Estimate 2020/21 to DRAFT Original Estimate 2021/22
<p>VARIOUS: Capital Decreases to depreciation as result of a reduction in the accounting valuation of various assets following the closedown of the 2019/20 accounts – in particular Ribblesdale Pool - £70,720, Castle Museum -£33,980, Museum Café -£11,690, Mardale Pavilion and Edisford Changing Rooms -£24,470.</p>	-198,390
<p>VARIOUS: Support Services There is a net decrease in inter-departmental costs and miscellaneous recharges on this committee following changes to various departmental cost allocations and reduced costs.</p>	-76,020
<p>VARIOUS: Refuse Collection Vehicles Increase to the repairs and maintenance budget for refuse collection vehicles due to a continued increase in repairs experienced in recent years. This is the movement of the amount previously held corporately as a contingency in 2020/21 now being released and provided against the service.</p>	50,000
<p>RPOOL: Ribblesdale Pool Increase to the gas budget has been necessary as a result of a new energy meter being installed at the pool which has registered readings of an increase in usage.</p>	15,720
<p>VARIOUS: Inflationary Increase When the 2% inflationary increase is applied, it accounts collectively to a substantial increase for this committee.</p>	104,520

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2020/21 OE TO 2021/22 OE**

ECONOMIC DEVELOPMENT COMMITTEE

Description	Variance Original Estimate 2020/21 to DRAFT Original Estimate 2021/22
INDDV - Economic Development Increase in support service costs mainly due to inflationary increases in the Economic Development and Planning Department.	5,150
INDDV - Economic Development Reduction in the depreciation charge due to a delay in the planned installation of gateway signs at Whalley, Longridge and Clitheroe.	-6,670
TURSM – Tourism and Events Increase in support service costs mainly due to inflationary increases charged to Community Services.	3,040

HEALTH AND HOUSING COMMITTEE

Description	Variance - Original Estimate 2020/21 to DRAFT Original Estimate 2021/22 £
VARIOUS – Support Services A net increase in support service recharges across all cost centres following a re-assessment of budgeted costs in all support services areas. The increased charges will also reflect the impact of 2% inflation for those support services.	28,550

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2020/21 OE TO 2021/22 OE**

PLANNING AND DEVELOPMENT COMMITTEE

Description	Variance Original Estimate 2020/21 to DRAFT Original Estimate 2021/22
<p><u>Inflation</u> The budget forecast allows for inflation on pay and prices at 2%. The net inflationary increase for this committee brought into the estimates is £10k.</p>	10,630
<p><u>ECPLA: Economic Development and Planning Department</u> The departmental direct salary costs are estimated to be £5k above the standard 2% inflation added to the original estimate for the 2021/22 financial year. This is mainly due to an increase to the employer superannuation estimate following scheme membership changes.</p>	5,630
<p><u>LPLAN: Local Plan</u> In January 2020 this Committee approved proposals to establish a budget for progression of the Local Plan, with budget estimates to total £300k plus recharges over a 3-year period.</p> <p>Following final approval at Special Policy and Finance Committee in February 2020, year one estimated costs of £190k were brought into the base budget. This movement represents an adjustment to the base for these estimated costs as they are now expected to fall in the 2021/22 financial year.</p>	-53,800
<p><u>PLANG: Planning Control and Enforcement</u> Planning fees are set nationally and no inflationary increase is expected for the 2021/22 financial year. This budget movement removes the standard 2% inflationary increase to the planning income estimates, reverting the estimated income back to the original base budget of £679k per the 2020/21 financial year.</p>	13,580
<p><u>Depreciation charges</u> The capital scheme for the new plotter/copier in the planning section was completed during the 2020/21 financial year and a budget has been established for associated depreciation charges.</p>	4,390
<p><u>Support Service Costs</u> There is a net increase in inter-departmental costs to this committee following changes to various departmental cost allocations.</p>	26,810

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2020/21 OE TO 2021/22 OE**

POLICY AND FINANCE COMMITTEE

Description	Variance Original Estimate 2020/21 to DRAFT Original Estimate 2021/22 £
<p><u>Inflation</u> The budget forecast allows for inflation on pay and prices at 2%. The net inflationary increase for this committee brought into the estimates is £81k.</p>	81,160
<p><u>COMPR: Computer Services</u> Expenditure payable for access to the Public Services Network (that enables secure data sharing between public sector bodies) has reduced following renewal of the annual contract. Estimated annual software maintenance costs have increased, mainly as a result of the implementation of Microsoft 365 which has brought about an additional annual cost of £22k for backup and security software (approved at P&F Committee in November 2020). Expenditure has also increased by an estimated £4k per year for purchases that enable employees to securely access the council's systems when remote working following an increase to homeworking brought about as a result of the coronavirus pandemic.</p>	-4,930 25,860
<p><u>ESTAT: Estates</u> An estimate has been brought into the budget for a transfer of funds to the Invest to Save Earmarked Reserve. The contribution is the estimated additional rental income to be generated in the 2021/22 financial year as a result of the Queensway Garages capital scheme (originally funded from this reserve).</p>	5,510
<p><u>FGSUB: Grants and Subscriptions</u> In June 2019 this Committee resolved to provide a one-off grant payment of £10k to Lancashire County Council to support the continuation of the 280 bus service between Clitheroe and Preston and Clitheroe to Skipton for a period of 12 months. The cost of the payment was to be funded from the Council's voluntary organisation grant's budget from the 2019/20 and 2020/21 financial years. The temporary reduction to the base budget at OE20/21 has now been reversed.</p>	4,270
<p><u>FMISC: Finance Miscellaneous</u> Increase to the annual budget provision for the cost of external audit work following an increase to the 2020/21 fees in respect of the Housing Benefit Assurance Process (HBAP) (Accounts and Audit Committee November 2020).</p>	16,020
<p><u>SUPDF: Superannuation deficiency payments</u> The annual estimated cost of superannuation scheme deficiency payments has been revised down following a full review.</p>	-9,960

**SPECIAL POLICY & FINANCE COMMITTEE
MAIN BUDGET VARIANCES 2020/21 OE TO 2021/22 OE**

Description	Variance Original Estimate 2020/21 to DRAFT Original Estimate 2021/22 £
<p><u>Movement in capital (depreciation charges)</u> There is a net reduction in the estimated capital charge for the 2021/22 financial year of £41k.</p>	-41,030
<p><u>Enterprise Agreements</u> The council's three-year agreement for Microsoft products ended this year and a tendering exercise was carried out for the renewal. Options were submitted to Emergency Committee in June 2020 and a new 3-year contract option was approved which have increased estimated costs within P&F Committee by £19k for the 2021/22 financial year.</p>	19,420
<p><u>Support Service Costs</u> There is a net decrease in support service costs charged to the committee following changes to various departmental cost allocations.</p>	-82,120

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
Reserves for Shorter Term Service Commitments							
<u>Community Services Committee Grants Fund</u> <i>Used to fund various Community Services Committee grants</i>	17,913			17,913			17,913
<u>Audit Reserve Fund</u> <i>Used for computer audit</i>	12,335			12,335			12,335
<u>Refuse Collection</u> <i>To fund refuse collection costs of bin replacements and other cost pressures</i>	59,610	-9,260	-13,000	37,350	-9,210	-13,000	15,140
<u>Amenity Cleansing Reserve</u> <i>Used to fund known future amenity cleansing works</i>	11,830			11,830			11,830
<u>Clitheroe Food Festival</u> <i>Resources set aside to help support the costs associated with the Clitheroe Food Festival</i>	6,905	1,700		8,605	-8,600		5

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
<u>Two-Way Radio Reserve</u> <i>Contributions from the Lancashire Resilience Forum towards the running of the two-way radio system and future enhancements</i>	718	-300		418			418
<u>Promotional Activities Reserve</u> <i>To fund planned publicity and promotional activities</i>	0			0			0
Total Reserves for Shorter Term Service Commitments	109,311	-7,860	-13,000	88,451	-17,810	-13,000	57,641
Reserves to Smooth the Revenue Impact of Longer Term Cyclical Costs							
<u>Elections Fund</u> <i>Used to fund borough elections held once every four years</i>	25,118	30,000		55,118	30,000		85,118
<u>Revaluation of Assets Reserve</u> <i>To contribute towards the revaluation of the Council's assets every five years.</i>	2,420	2,190		4,610	2,190		6,800
<u>Pensions Triennial Revaluation Reserve</u> <i>Savings on contribution rates, set aside with a view to offsetting any future pensions fund deficits</i>	68,592			68,592			68,592

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
Total Reserves to Smooth the Revenue Impact of Longer Term Cyclical Costs	96,130	32,190	0	128,320	32,190	0	160,510
Reserves for Trading or Business Units							
<u>Building Control Fund</u> <i>Available to equalise net expenditure over a three year period</i>	-78,755	3,850		-74,905	-23,500		-98,405
Total Reserves for Trading or Business Units	-78,755	3,850	0	-74,905	-23,500	0	-98,405
Reserves for Sums Set Aside for Major Schemes such as Capital Projects							
<u>Capital</u> <i>Used to fund the capital programme</i>	931,767	317,780	-344,020	905,527		-94,920	810,607
<u>ICT Repairs and Renewals</u> <i>To fund future software and hardware pressures</i>	122,740		-30,000	92,740			92,740
<u>Vehicle & Plant Repairs and Renewals Reserve</u> <i>Resources set aside to fund future replacement of Vehicles and Plant through the capital programme</i>	51,035			51,035			51,035
Total Reserves for Sums Set Aside for Major Schemes such as Capital Projects	1,105,542	317,780	-374,020	1,049,302	0	-94,920	954,382
Reserves for Longer Term Strategic or Corporate Items							

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
<u>VAT Shelter Reserve</u> <i>Funds received from the post LSVT VAT Shelter arrangements, partly used to contribute towards the future financing of the capital programme</i>	1,104,453	6,410	-97,370	1,013,493		-186,740	826,753
<u>Fleming VAT Claim</u> <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	58,819		-15,100	43,719			43,719
<u>Insurance</u> <i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	14,581			14,581			14,581
<u>Repairs and Maintenance</u> <i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>	45,079	-27,950		17,129			17,129
<u>Post LSVT</u> <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	146,050	-36,512		109,538	-36,512		73,026
<u>Restructuring Reserve</u> <i>To fund costs resulting from restructuring reviews</i>	187,903			187,903			187,903
<u>Equipment Reserve</u> <i>To fund essential and urgent equipment requirements</i>	83,655	-23,420	-8,430	51,805	-500		51,305

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
<u>Invest to Save Fund</u> <i>To fund future invest to save projects</i>	237,162	5,510		242,672	5,510		248,182
<u>Planning Reserve</u> <i>To fund any future potential planning issues such as Planning Appeals</i>	41,643		-13,190	28,453			28,453
<u>Housing Benefit Reserve</u> <i>To help meet the challenges facing the service in the coming years</i>	100,000			100,000			100,000
<u>Business Rates Volatility Reserve</u> <i>To provide some protection against business rates volatilities</i>	1,682,000			1,682,000	-97,015		1,584,985
<u>Business Rates Growth Reserve</u> <i>Business rates growth used to support revenue expenditure or the capital programme.</i>	1,574,614	1,183,976	-100,200	2,658,390	779,698	-37,600	3,400,488
<u>New Homes Bonus Reserve</u> <i>To help support revenue and capital expenditure</i>	2,418,149	665,952	-229,150	2,854,951	410,848	-241,040	3,024,759
Total Reserves for Longer Term Strategic or Corporate Items	7,694,108	1,773,966	-463,440	9,004,634	1,062,029	-465,380	9,601,283
Reserves for External Funding where Expenditure has yet to be Incurred							
<u>Performance Reward Grant</u> <i>Performance Reward Grant received and used to fund associated projects</i>	67,577			67,577			67,577

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
<u>Land Charges Reserve</u> <i>To fund any potential restitution claims for personal search fees</i>	51,117			51,117			51,117
<u>Pendle Hill User Reserve</u> <i>To fund improvement schemes on Pendle Hill</i>	2,181	-2,180		1			1
<u>Crime Reduction Partnership Reserve</u> <i>To fund cost of crime reduction initiatives</i>	38,059			38,059	-14,620		23,439
<u>Exercise Referral and Up and Active Reserve</u> <i>To fund potential residual staffing costs and to hold other service grants</i>	5,032			5,032			5,032
<u>Housing Related Grants Reserve</u> <i>Residual grant received, to be committed to future expenditure</i>	206,452	21,720	-157,530	70,642	42,820		113,462
<u>Planning Policy Related Grants Reserve</u> <i>To provide short term capacity support when dealing with housing planning applications</i>	5,850	-2,000		3,850			3,850

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
<u>Community Right to Bid/Challenge</u> <i>To fund any future costs under the Community Right to Bid and Community Right to Challenge Regulations</i>	45,124			45,124			45,124
<u>Grant Funded Sports Development</u> <i>To finance future Sports Development grant funded expenditure</i>	10,687			10,687			10,687
<u>Whalley Moor Reserve</u> <i>Grant received towards work at Whalley Moor Woodland</i>	4,520			4,520			4,520
<u>Individual Electoral Registration Reserve</u> <i>Grant received for the implementation of Individual Electoral Registration which will be used to fund this work</i>	16,590			16,590			16,590
<u>Rural Services Reserve</u> <i>Grant received with the purpose of supporting rural services</i>	75,392		-75,030	362		-360	2
<u>Neighbourhood Planning Reserve</u> <i>MHCLG Neighbourhood Planning Grant received to fund future related expenditure</i>	16,133			16,133			16,133

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
<u>Repossession Prevention Fund Reserve</u> <i>Ring-fenced MHCLG funded reserve to help prevent repossessions and homelessness.</i>	28,491			28,491			28,491
<u>Parish Grant Reserve</u> <i>PRG resources set aside to fund the Parish Grant Scheme</i>	35,769	-1,940		33,829			33,829
<u>Custom and Self Build Register Grant Reserve</u> <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>	88,750			88,750			88,750
<u>Brownfield Register Grant Reserve</u> <i>Grant funding towards preparation and maintenance of a register of brownfield sites suitable for residential development.</i>	26,263			26,263			26,263
<u>Flood Resilience, Response and Recovery Grant Reserve</u> <i>Grant funding relating to residual Flood Resilience Grants and also in respect of flood response and recovery</i>	18,408	-2,000		16,408			16,408

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
<u>EU Exit Funding Reserve</u> <i>Grant funding relating to impacts in respect of the EU Exit</i>	52,452			52,452			52,452
<u>Cyber Resilience Grant Reserve</u> <i>Grant funding in respect of Cyber Resilience work</i>	10,600	3,000		13,600	-13,600		0
<u>Pendle Hill Landscape Partnership Reserve</u> <i>To fund schemes in respect of the Pendle Hill Landscape Partnership</i>	0			0			0
<u>Housing Benefits New Burden Grants Reserve</u> <i>Grant income to support new burdens in respect of Housing Benefits</i>	4,669			4,669			4,669
<u>LCTS New Burdens Grant Reserve</u> <i>Grant income to support new burdens in respect of Localised Council Tax Support</i>	18,370	-1,600	-10,000	6,770			6,770
<u>Parks Improvement Funding Reserve</u> <i>Grant funding to support improvements to parks</i>	7,111	-6,510		601			601

**SPECIAL POLICY & FINANCE COMMITTEE
EARMARKED RESERVES**

	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 £	Budgeted to be added/taken in 2021/22 on Revenue £	Budgeted to be added/taken in 2021/22 on Capital £	Forecast Balance at 31 March 2022 £
Covid-19 Response <i>Balance of grant income received prior to the end of 2019/20 financial year in respect of the response to the Covid-19 pandemic</i>	3,835			3,835			3,835
Business Rates S31 Grant Adjustment Reserve Short term reserve to hold Section 31 grant received in 2020/21 in respect of business rates relief - to fund collection fund deficit in 2021/22	0	2,578,153		2,578,153	-2,578,153		0
Total Reserves for External Funding where Expenditure has yet to be Incurred	839,432	2,586,643	-242,560	3,183,515	-2,563,553	-360	619,602
Total of all Earmarked Reserves	9,765,768	4,706,569	-1,093,020	13,379,317	-1,510,644	-573,660	11,295,013