

# Public Document Pack



Ribble Valley  
Borough Council

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Dear Councillor

The next meeting of the **POLICY AND FINANCE** Committee will be held at **6.30 pm** on **TUESDAY, 28 MARCH 2023** in the **Council Chamber**.

I do hope you can be there.

Yours sincerely

*M. H. Scott*

CHIEF EXECUTIVE

## AGENDA

1. **APOLOGIES FOR ABSENCE**
2. **TO APPROVE MINUTES OF MEETINGS HELD ON 14 FEBRUARY (SPECIAL) AND 24 JANUARY** (Pages 5 - 24)
3. **DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON REGISTRABLE INTERESTS**

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

4. **PUBLIC PARTICIPATION**

### ITEMS FOR DECISION

5. **REVIEW OF FINANCIAL REGULATIONS AND CONTRACT PROCEDURE RULES** (Pages 25 - 128)  
Report of Director of Resources enclosed
6. **TREASURY MANAGEMENT POLICIES AND PRACTICES** (Pages 129 - 172)  
Report of Director of Resources enclosed
7. **CAPITAL AND TREASURY MANAGEMENT STRATEGY** (Pages 173 - 216)  
Report of Director of Resources enclosed

8. **MEDIUM TERM FINANCIAL STRATEGY 2023/24 TO 2027/28** (Pages 217 - 270)

Report of Director of Resources enclosed

9. **LOCAL TAXATION WRITE OFFS** (Pages 271 - 272)

10. **UK SHARED PROSPERITY FUND** (Pages 273 - 286)

Report of the Director of Economic Planning and Development enclosed

11. **VOLUNTARY ORGANISATION GRANTS 2022/23** (Pages 287 - 296)

Report of Director of Resources enclosed

12. **REFERENCES FROM COMMITTEES**

i) **Changing Places Fund Allocation** (Pages 297 - 300)

For Decision  
Reference from Community Services Committee

ii) **Berry Lane Toilets** (Pages 301 - 304)

For Decision  
Reference from Community Committee

13. **SOLAR PANELS** (Pages 305 - 306)

14. **HIS MAJESTY KING CHARLES III CORONATION** (Pages 307 - 308)

Report of the Chief Executive enclosed

15. **DRAFT MEETING CYCLE 2023 - 24** (Pages 309 - 312)

Report of the Chief Executive enclosed.

**ITEMS FOR INFORMATION**

16. **REVENUE MONITORING 2022/23** (Pages 313 - 326)

Report of Director of Resources enclosed

17. **CAPITAL PROGRAMME 2023/24** (Pages 327 - 338)

Report of Director of Resources enclosed

18. **LOCAL COUNCIL TAX SUPPORT ADDITIONAL SUPPORT FUND** (Pages 339 - 350)

Report of Director of Resources enclosed

19. **REVENUES AND BENEFITS GENERAL REPORT** (Pages 351 - 354)

Report of Director of Resources enclosed

20. **ALTERNATIVE FUNDING SCHEMES FOR THE ENERGY BILLS SUPPORT SCHEME AND THE ALTERNATIVE FUEL PAYMENT UPDATE** (Pages 355 - 358)

Report of Director of Resources enclosed

21. **MINUTES OF BUDGET WORKING GROUP - 19 DECEMBER 2022** (Pages 359 - 360)

For Information

22. **MINUTES OF WORKING GROUPS - CCWG** (Pages 361 - 364)

23. **REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES**

24. **EXCLUSION OF PRESS AND PUBLIC**

**ITEMS FOR DECISION**

25. **LOCAL TAXATION AND HOUSING BENEFITS WRITE OFFS** (Pages 365 - 368)

Report of Director of Resources enclosed

26. **REFERENCE FROM COMMITTEES**

- i) **Biofuel for Trial for the Council Vehicle Fleet** (Pages 369 - 374)

PART 2 FOR DECISION

Report of Director of Resources

27. **SENIOR MANAGEMENT CHANGES** (Pages 375 - 378)

Electronic agendas sent to members of Policy and Finance – Councillor Stephen Atkinson (Chair), Councillor David Berryman, Councillor Susan Bibby, Councillor Alison Brown, Councillor Louise Edge, Councillor Stewart Fletcher, Councillor Mark French, Councillor Gaynor Hibbert, Councillor Jonathan Hill, Councillor Mark Hindle, Councillor Simon Hore (Vice-Chair), Councillor Kevin Horkin MBE, Councillor Richard Newmark, Councillor David Peat OBE and Councillor Robert Thompson.

Contact: Democratic Services on 01200 414408 or [committee.services@ribblevalley.gov.uk](mailto:committee.services@ribblevalley.gov.uk)

## Minutes of Special Policy and Finance

Meeting Date: Tuesday, 14 February 2023, starting at 6.30 pm  
Present: Councillor S Atkinson (Chair)

Councillors:

D Berryman	G Hibbert
S Bibby	J Hill
A Brown	M Hindle
L Edge	S Hore
S Fletcher	K Horkin
M French	D Peat

In attendance: Chief Executive, Director of Resources, Director of Economic Development and Planning, Head of Financial Services and Principal Communications Officer

Also in attendance: Councillors G Mirfin

714 APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were received from Councillors R Newmark and R Thompson

715 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING

There were no minutes requiring approval

716 DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON REGISTRABLE INTERESTS

There were no declarations of disclosable pecuniary, other registrable or non-registrable interests.

717 PUBLIC PARTICIPATION

There was no public participation.

718 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2023/24

The Director of Resources submitted a report for information providing details of the Provisional Local Government Finance Settlement for 2023/24.

Members were reminded that 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 19 December 2022.

The Secretary of State for Levelling Up, Housing and Communities, Michael Gove MP, issued a written ministerial statement to the House of Commons.

The consultation period ended on 16 January 2023 but the final settlement had not yet been announced.

The report noted with disappointment that this is in effect another one year only settlement which means the Council cannot plan beyond next year with any certainty. It has been made clear that the Funding Guarantee is a one-off grant.

The main points of the Policy Statement as far as the Council are concerned are;

- Revenue Support Grant will increase in line with CPI (10.1% in September).
- Council Tax – the referendum threshold for shire districts will be 3% or £5 whichever is greater.
- Rural Services Delivery Grant will be unchanged.
- The Services Grant will reduce in 2023/24 to reflect the national insurance contribution increase being abolished.
- New Homes Bonus (NHB) will continue in 2023/24 but without legacy payments.
- The Lower Tier Services Grant will be repurposed together with a proportion of the NHB legacy payments to create a new one-off funding guarantee grant to ensure all Council's receive at least a 3% increase in Core Spending Power before any decision on Council Tax.

Members were informed that the Council expects there will be transitional protection alongside the implementation of finance reforms going forward. However transitional protection is usually against a council's Core Spending Power. It is important to note the income the Council receives from business rate growth does not form part of its Core Spending Power.

719

#### OVERALL REVENUE BUDGET 2023/24

The Director of Resources submitted a report asking Members to approve the revised revenue budget for 2022/23, and to consider and recommend a revenue budget and council tax requirement for 2023/24 to Full Council on 7 March 2023.

Members were reminded that the Original Estimate initially allowed 3% for price increases and 2% for pay increases along with a further 1% for both included in a £140k contingency fund. The revised budget now forecasts a further shortfall of £125k after taking £412k from General Fund Balances as agreed when setting the original budget.

Members were advised that the lack of a multi-year financial settlement, together with inflation and interest rate uncertainty continue to make medium- and longer-term financial planning very challenging. The Council have updated their Budget Forecast for the five-year period to 2027/28 based on the assumptions set out in the report.

It was noted that the Council are potentially faced with the following budget shortfalls each year.

2024/25	£1,316,106
2025/26	£2,456,434
2026/27	£2,492,331

2027/28 £2,529,373

This is based on many assumptions, not least the Council's speculation as to the level of transitional protection and business rate growth. If these prove correct and the Council are not able to set a balanced budget, they will need to use £9.794m of their earmarked reserves/general fund balances for the period 2024/25 to 2027/28.

Members were reminded that it is as crucial as ever that the Budget Working Group continue to review the council finances carefully as we enter 2023/24.

RESOLVED THAT COMMITTEE:

1. Approve the revised budget for 2022/23.
2. Approve the Budget Working Group's recommendations and set a budget and council tax requirement for 2023/24 as set out below:

<b>BUDGET AND COUNCIL TAX REQUIREMENT</b>	
	<b>£</b>
RVBC Net Budget	5,672,613
Plus Parish Precepts (Annex 3)	577,048
	<b>6,249,661</b>
Less - Settlement Funding Assessment	-1,453,665
<b>Net Requirement Before Adjustments</b>	<b>4,795,996</b>
Council Tax Surplus	-80,012
<b>Council Tax Requirement (Including Parishes)</b>	<b>4,715,984</b>

3. \*\*\*  
Recommend the budget and council tax requirement to Council on 7 March 2023  
\*\*\*

4. Request the Budget Working Group to begin work to address the budget deficit forecast from 2024/25 early in the new municipal year.

720

#### OVERALL REVISED CAPITAL PROGRAMME 2022/23

The Director of Resources submitted a report asking Members to consider and approve the Council's overall revised capital programme for 2022/23.

The proposed revised capital programme for 2022/23 is £2,385,610 for 32 schemes, which is a reduction of £4,066,340 from the previously approved capital programme budget and a reduction of 7 schemes. As a result, there is a reduction of £4,066,340 in the level of financing resources needed to fund the 2022/23 proposed revised capital programme. It is proposed to move £3,002,670 of financing resources into 2023/24 to fund the capital schemes budgets that are proposed to be moved into that year.

Earmarked reserves are used to fund £638,258 of the 2022/23 proposed revised capital programme, with the balance of funding coming from usable capital receipts of £328,542, grants and contributions of £1,412,810 and borrowing of £6,000.

At the end of December 2022, £1,120,768 had been spent or committed on capital programme budget.

RESOLVED THAT COMMITTEE:

Approve the overall revised capital programme for 2022/23.

721

#### FIVE YEAR CAPITAL PROGRAMME 2023/24 TO 2027/28

The Director of Resources submitted a report providing Members with details of the previously approved capital programme schemes for 2023/24 to 2024/25, which have been adjusted for inflation.

The report also asked Members to consider the bids that have now been progressed to a proposed capital programme for 2023/24 to 2027/28, and to recommend a capital programme to Full Council on 7 March 2023.

Heads of Service have put forward their capital programme bids. Service committees have since considered the bids that were put forward and all were supported.

The proposed capital programme for 2023/24 includes a number of schemes that have been moved from the 2022/23 capital programme. These schemes are fully financed.

Members were advised that an extensive review of the schemes has been undertaken by both Budget Working Group and Corporate Management Team. The proposed capital programme should be both achievable and affordable.

Substantial resources have been used from the Council's earmarked reserves at a time of conflicting pressure on earmarked reserves from both revenue and capital. There has also been the use of capital receipts.

With regards to a risk assessment, Members were informed that, in approving the report it may have the following implications:

- Resources – Approval of the capital programme will see further internal resources used of £3,857,460, this is in addition to previously approved resources of £6,268,950, making the total of schemes/resources of £10,126,410.
- 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.

RESOLVED THAT COMMITTEE:

\*\*\*Recommend to Council the Capital Programme for 2023/24 to 2027/28 as set out in Annex 2 to the report. \*\*\*

722

#### REFERENCES FROM COMMITTEES

There were no references from Committees.

723

#### MINUTES OF WORKING GROUPS

There were no minutes from Working Groups

724 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

725 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the next item of business being exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 the press and public be now excluded from the meeting.

726 UK SHARED PROSPERITY FUND

The Director of Economic Development and Planning submitted a report seeking a decision from Members in respect of the use of our UK Shared Prosperity Fund allocations for 2023/24 and 2024/25.

The Members were reminded that on 13th April 2022 the UK Shared Prosperity Fund (UKSPF) was launched by the Department for Levelling Up, Housing & Communities. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. Ribble Valley's conditional allocation is £1,967,754 over the three-year funding period.

On 5<sup>th</sup> December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) confirmed that our Investment Plan had been accepted. The Secretary of State has allocated funding for 2022/23 with indicative allocations for the further two financial years up to and including 2024/25.

The Council's Investment Plan including several projects to deliver this financial year and Members of Policy and Finance Committee (24<sup>th</sup> January 2023) agreed to move these forward along with some further suggestions from the Working Group. It was noted that work is ongoing in respect of:

- Rail Feasibility study
- Additional CCTV Provision (pilot project)
- Refurbishment of Mardale Playing Field Changing Rooms, Longridge including resurfacing the car park
- Clitheroe Market Feasibility Study
- Business support for net zero transition & decarbonisation
- EV charging points in villages feasibility study

Members were informed that numerous project ideas have been put forward in terms of schemes for the UKSPF funding. Some of the schemes Members were already aware of and some have been received from various groups following the UKSPF announcement. The schemes were detailed within the report.

Members were asked to note that the total cost of all the projects identified, with some costs still to be determined, significantly exceeds the available funding.

Prior to the Committee meeting, it was noted that the Partnership Group met on 1<sup>st</sup> February and the Member Working Group met on 2<sup>nd</sup> February to discuss the proposed projects. Whilst the Working Group had no specific recommendations for Policy and Finance Committee at this stage, they did discuss whether the UKSPF may be best spent on the delivery of schemes with recognisable benefits within the major urban centres and concentrate the Rural Prosperity Fund (if the Council are successful in securing this money) on the rural areas.

Members discussed the UKSPF in some detail and were minded at this stage to agree provisional allocations to the 3 service centres of Clitheroe, Longridge & Whalley to assist the Working Group's further deliberations.

#### RESOLVED THAT COMMITTEE:

1. That the UKSPF Working Group is arranged for further consideration of the projects, and they be advised that provisional allocations of funds be as follows:  
Clitheroe £800,000, Longridge £400,000 and Whalley £400,000
2. Request that after further consideration by the UKSPF Working Group the recommendations of the working group be brought back to this Committee.

727

#### HOUSEHOLD SUPPORT FUND

The Director of Economic Planning and Development submitted a report asking Members to consider the remaining Household Support Fund (HSF) and options for distribution.

On 6<sup>th</sup> October 2021 the Government announced that a new Household Support Fund (HSF1) grant would be made available to County Councils and Unitary Authorities in England to support those most in need that winter. This grant ran from 6 October 2021 to 31 March 2022. The Household Support Fund (HSF2) was then extended from 1 April 2022 to 30 September 2022.

On 26 May 2022, the Chancellor announced, as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living, that the Household Support Fund (HSF3) would be extended from 01 October 2022 to 31 March 2023. As has been done for previous schemes, the fund would be made available to County Councils and Unitary Authorities in England to support those most in need. Lancashire has been awarded £9,678,235.22 and Lancashire County Council have confirmed that £120,000 will be passported to Ribblesdale Borough Council.

Members were reminded that the Fund is intended to cover a wide range of low-income households in need including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people. The Council's current application process is open to households whose total household income is less than £31,400 per year (the most recent wage slip(s) are requested to support this).

Since the Council launched the scheme, there have been 191 applications and over £18,000 has been given out in food vouchers to 124 households.

Members were reminded that the scheme runs until March 2023, and the Council still have a substantial amount of our allocation remaining.

**RESOLVED THAT COMMITTEE:**

1. Approve the HSF3 Application Scheme be amended to include:

An increase in the food voucher amounts as follows:

- £200 for single households.
- £300 for households with two or more adults residing.
- £500 for households with children.

A household with a child is a household containing any person who will be under the age of 19 at the time of award or, a person aged 19 or over in respect of whom a child-related benefit (for example, Child Benefit) is paid or FSMs are provided.

2. Provide a top up voucher to all previous successful applicants to match the amounts above.
3. Increase the household income criteria within the scheme to £41,718.
4. Give the Food Bank £1,000.

The meeting closed at 9.00 pm

If you have any queries on these minutes please contact the committee clerk, Jenny Martin [olwen.heap@ribblevalley.gov.uk](mailto:olwen.heap@ribblevalley.gov.uk).

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## Minutes of Policy and Finance

Meeting Date: Tuesday, 24 January 2023, starting at 6.30 pm  
Present: Councillor S Atkinson (Chair)

Councillors:

S Bibby	G Hibbert
A Brown	J Hill
L Edge	M Hindle
S Fletcher	S Hore
M French	D Peat

In attendance: Chief Executive, Director of Resources, Director of Economic Development and Planning, Head of Revenues and Benefits and Senior Accountant

### 625 APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were received from Councillors: R. Thompson, D. Berryman, K. Horkin and R. Newmark.

### 626 DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON-REGISTRABLE INTERESTS.

Councillor K Horkin declared ownership of businesses in Clitheroe.

### 627 PUBLIC PARTICIPATION

There was no public participation.

### 628 NEW CORPORATE STRATEGY 2023-2027 & PERFORMANCE REPORTING

The Director of Resources submitted a report updating members on the proposals for developing a new Corporate Strategy for 2023-2027 and the reporting of related key performance indicators (KPIs).

Members were reminded that the Corporate Strategy sets out the strategic direction of the Council for any given period, providing a focus to ensure that the services the Council deliver meet the needs of the communities. The 2019-2023 Strategy had a four-year scope but was reviewed annually to ensure that it continued to reflect the changes to priorities that occur over time.

The report noted that following the local elections taking place in May 2023 the Council will develop a new Strategy, which will have a four-year life span, covering 2023-2027.

RESOLVED THAT COMMITTEE:

1. Agreed to develop a new Corporate Strategy for 2023-2027 after the local elections, taking into account:
  - a. Findings from the 2023 Peoples' Survey, and
  - b. 2021/22 year-end performance data.
2. Agreed to the performance reporting as set out in the report.

## REVIEW OF FEES AND CHARGES 2023/24

The Director of Resources submitted a report seeking member approval on proposals to increase this committee's fees and charges with effect from 1 April 2023.

Members were reminded that:

- The annual review of the Council's fees and charges had been undertaken as part of the budget setting process for the forthcoming 2023/24 financial year.
- The Budget Working Group met in August 2022 to consider in detail the council's three-year budget forecast for the financial years 2023/24 – 2025/26.
- In light of a considerable forecasted budget gap a number of recommendations were approved by this Committee at the September 2022 meeting, including that fees and charges for the 2023/24 financial year should be increased by the rate of the September CPI.
- For this committee, a minimum 10.1% increase in fees and charges would generate additional income of £19,820 when compared to the current year base budget for those income streams included within the review.

RESOLVED THAT COMMITTEE:

Approved the proposed fees and charges as set out in Annex 1 to the Report.

## REVISED REVENUE BUDGET 2022/23

The Director of Resources submitted a report seeking approval of a revised revenue budget for 2022/23

Members were reminded that:

- The original estimate for this current financial year was set in March 2022 and that there can be numerous variations to the budget that come to attention of the Council as the year progresses, particularly through the budget monitoring process.
- At this time of year, the Council revise the estimates for the current financial year to predict the likely outturn. In essence the Revised Estimate becomes the Council's latest forecast for the outturn on the current financial year's budget. This also assists the Council in preparing the original estimate for the coming financial year.

The report noted that the:

- Council had recognised earlier in the year that it was facing significant increases in costs due to inflation and pay increases. For this committee this extra cost was then estimated at £240,330. The Original Estimate was therefore restated from £2,431,330 to £2,671,660.
- The difference between the Revised and Adjusted Original Estimate is a decrease in net expenditure of £46,750 after allowing for transfers to and from earmarked reserves. This means that the total movement from the true Original Estimate to the Revised Estimate is an increase of £450, or an increase of £193,580 after movements in earmarked reserves.

The Director of Resources highlighted the main budget variations.

RESOLVED THAT COMMITTEE:

Agreed the revenue revised estimate for 2022/23.

631

#### ORIGINAL REVENUE BUDGET 2023/24

The Director of Resources submitted a report seeking approval of the draft revenue budget for 2023/24, for consideration at a Special Policy and Finance Committee.

Members were reminded that:

- The budget forecast was presented to this Committee in September 2022.
- The forecast considered the Council's knowledge at that time as it related to Covid19, changes to key funding streams, the cost-of-living crisis and the fast-moving rate of inflation.
- In September 2022 the forecast predicted an overall budget gap of; £1,040,966 in 2023/24, £1,394,296 in 2024/25 and £2,412,914 in 2025/26

The report set out:

- The provisional grant settlement.
- The budget process and how the estimates were prepared.
- The draft revenue budget for 2023/24 and the main variations.

The Director of Resources explained for this committee:

The difference between the Original Estimate 2023/24 and Adjusted Original Estimate 2022/23 is a further increase in net expenditure of £203,240 after allowing for transfers to and from earmarked reserves. This means that the total movement from the true Original Estimate 2022/23 to the Original Estimate 2023/24 is £599,610, or £443,570 after movements in earmarked reserves. The Director of Resources commented on the major budget variations.

RESOLVED THAT COMMITTEE:

Approved the revenue original estimate for 2023/24 and agreed to submit this to a special meeting of this Committee.

632

#### REVISED CAPITAL PROGRAMME 2022/23

The Director of Resources submitted a report seeking approval of the 2022/23 revised estimate for this Committee's Capital Programme.

Members were reminded that:

- Six capital schemes for this Committee's original estimate budget, totalling £335,480, had been approved by the Policy and Finance Committee and Full Council at their meetings in February 2022 and March 2022 respectively.
- The above included two new schemes for 2022/23 and four scheme budgets that had been moved from the 2021/22 capital programme to the 2022/23 capital programme.

Members were also reminded that in addition to the original estimate budget above, the following budget changes had been made so far in 2022/23:

- One capital scheme was not completed by 31 March 2022 and had unspent budget available at that date.
- The total unspent budget of £7,020, known as slippage, was moved into the 2022/23 capital programme budget, after approval by this Committee in June 2022.
- One additional capital scheme with a budget of £13,500 was approved by this Committee in June 2022.
- As a result of the above, the total approved budget for this Committee's capital programme of eight schemes would be £356,000. This was set out in Annex 1 to the report.

The report noted that:

- The proposed revised estimate for this Committee's 2022/23 capital programme was £88,920 for five schemes, which was a reduction of £267,080 from the total approved capital budget.
- It was recommended that budgets on three schemes, totalling £256,600, should be moved to the 2023/24 financial year.
- At the end of December 2022 £81,308 had been spent or committed and that this was 91.4% of the revised estimate capital programme budget for this Committee.
- Of the five schemes in this Committee's proposed revised capital programme, three schemes are complete and two schemes are expected to be completed in-year.

RESOLVED THAT COMMITTEE:

1. Approved the 2022/23 revised estimate of £88,920 for this Committee's capital programme, as set out in Annex 1 to the Report.
2. Approved the move of the following capital scheme budgets from 2022/23 to 2023/24:
  - Brookfoot Footbridge, Ribchester – Replacement of Bridge, £110,000.
  - ICT Infrastructure Refresh, £116,600.

Network Infrastructure, £30,000.

633

CAPITAL PROGRAMME REVIEW AND NEW BIDS 2023/24 TO 2027/28

The Director of Resources submitted a report asking members to consider the future capital programme for this Committee, covering the period 2023/24 to 2027/28.

Members were reminded that:

- The Council usually operates a five-year capital programme, but only a three-year capital programme for 2022/23 to 2024/25 was approved last year. This was due to the Council awaiting the outcome of the Government's fair funding review before committing to setting a longer-term five-year capital programme.

- Committees had however submitted capital scheme bids for 2025/26 to 2026/27 as part of last year's capital programme review.
- This year, the aim had been to return to a five-year capital programme, covering the period 2023/24 to 2027/28. Therefore, Heads of Service had been asked to review the capital schemes already approved for 2023/24 to 2024/25, review any previously submitted capital scheme bids for 2025/26 to 2026/27; and submit new capital scheme bids for 2027/28.

The report noted that:

- The proposed amendments to the previously approved capital programme would increase the capital programme by £12,720.
- If all reviewed bids from the 2021 bidding round and those from the 2022 bidding round were approved, this would increase the proposed capital programme for this committee by £534,300.
- If all amendments and bids were to be approved, this would result in a proposed capital programme for 2023/24 to 2027/28 for this Committee of fourteen schemes, totalling £753,300.

Members discussed several of the new schemes being proposed.

RESOLVED THAT COMMITTEE:

Considered and proposed a future 5-year capital programme for this Committee's services of £753,300 for onward recommendation to the Special Policy and Finance Committee meeting for the period 2023/24 to 2027/28, based on:

- The proposals included in the report; and
- Any capital bid suggestions and amendments that members wished to make, of which there were none.

634

RETURNING OFFICER FEES FOR BOROUGH AND PARISH ELECTIONS 2023

The Chief Executive submitted a report seeking members agreement to the adoption of the Returning Officers' Scale of Fees in connection with the Borough and Parish Council Elections taking place on 4 May 2023 and any other local elections or referenda that might arise in 2023/24.

Members were reminded that:

- The Representation of the People Act 1983 requires each Council to appoint an officer of the authority as Returning Officer to undertake various statutory duties in relation to election procedures.
- The Council must provide the Returning Officer with the necessary resources to enable efficient and lawful delivery of the elections.
- The Returning Officer for Ribble Valley Borough Council is the Chief Executive.

The Report noted that:

- The Council's overall budget for the Borough and Parish Council elections on 4 May 2023 is £180,000. This does not include the additional costs arising from the introduction of Voter ID for which the Council will receive new Burdens Funding.
- The actual cost of the Elections will ultimately depend on the number of contested seats.

RESOLVED THAT COMMITTEE:

Agreed the Returning Officers' Scale of Fees for 2023/24 Borough and Parish Elections as set out in Section 4 of the Report.

635

#### MEMBERS ALLOWANCES

The Director of Resources submitted a report seeking Committee's approval for the constitution of an Independent Remuneration Panel to review the Members' Allowance Scheme.

Members were reminded that:

- The Local Government and Housing Act 1989 and the Local Authorities (Members' Allowances) (England) Regulations 2003 required that the Council make a scheme ("Scheme") for the payment of Members' Allowances (Regulations").
- The Council's current Scheme came into effect on 19 May 2019 for a period of 4 years. The Council must therefore review and agree to make a further scheme prior to that date.

RESOLVED THAT COMMITTEE:

1. Approved the appointment of the proposed Panel as set out in paragraph 3.3 of the Report.
2. Approved payment of reasonable travel expenses to members of the Panel, arising from their attendance at meetings of the Panel.

636

#### ANTI-MONEY LAUNDERING POLICY

The Director of Resources submitted a report asking Members to consider and approve the recently fully reviewed and revised Anti-Money Laundering Policy.

Members were reminded that:

- The Anti-Money Laundering Policy was originally developed from best practice guidance issued by CIPFA and was first produced in November 2010.
- Since November 2010 there have been several revisions to reflect changing regulations.

The Report noted that latest proposed version of the policy, represented a substantial rewrite of the policy.

RESOLVED THAT COMMITTEE:

Approved the Anti-Money Laundering Policy as set out at Annex 1 of the Report.

637

#### CORPORATE DEBT POLICY

The Director of Resources submitted a Report seeking agreement for a revision to the Council's Corporate Debt Policy (CDP).

Members were reminded that:

- The Council is required to collect debts across several different departments.

- These debts can be in relation to a variety of services, ranging from Business Rates, Council Tax and rent for both commercial and residential properties.

The Report noted that:

The Council had made some changes to the policy to correct minor errors, but the changes did not constitute a material impact on the policy.

RESOLVED THAT COMMITTEE:

Approved the Policy attached at Annex 1 to the Report, with minor amendments.

638

#### LOCAL COUNCIL TAX SUPPORT SCHEME 2023/24

The Director of Resources submitted a Report updating Members on the introduction of the Government's Council Tax Support Fund for 2023/24 and seeking approval of the Council's Local Council Tax Support (LCTS) Scheme for 2023/24.

The Report noted that the Council are required to adopt a Local Council Tax Support Scheme each year as part of the budget setting process.

The report also set out suggestions on how the recently announced Council Tax Support Fund could be used.

The Council are not proposing any significant changes to their scheme for 2023/24 except for those that will keep it in line with the Housing Benefit Scheme and increase applicable amounts and premiums etc.

RESOLVED THAT COMMITTEE:

1. The Committee noted the £55,503 allocation from Government for the Council Tax Support Fund 2023/24 and approved the allocation of up to £45 to each household in receipt of Local Council Tax Support where liability is not nil.
2. \*\*\*\*To recommend to Full Council our Local Council Tax Support Scheme for 2023/24 with minor changes to keep it in line with the Housing Benefit Scheme and uprate applicable amounts and premiums etc \*\*\*\*

639

#### REVENUES DISCRETIONARY DISCOUNT/RELIEF POLICY

The Director of Resources submitted a report seeking agreement to an updated Revenues Discretionary Discount/Relief policy.

Members were reminded that:

- Local Authorities had the power to grant discretionary Council Tax and Business Rates discounts/reliefs.
- The Covid-19 pandemic and cost of living crisis had made significant changes in this area, and it was therefore necessary to review the Council's current policy.

The report noted that the Council had made amendments to the policy to cover the additional support provided by the Government to recipients of LCTS in 2023/24, the extension and increase to 75% of Retail Hospitality and Leisure Relief for 2023/24 and the extension of SSB relief for 2023/24.

RESOLVED THAT COMMITTEE:

Agreed the changes to the Revenues Discretionary Discount/Relief Policy for 2023/24.

640

#### ENERGY BILLS SUPPORT SCHEME ALTERNATIVE FUNDING AND ALTERNATIVE FUEL PAYMENTS

The Director of Resources submitted a Report updating Members on the alternative support for household energy bills announced by the Department for Business, Energy and Industrial Strategy (BEIS) in December 2022 and seeking approval of how the Council would assist BEIS in getting essential support to Ribble Valley residents.

Members were reminded that:

- The Government committed to providing support to consumers with their energy costs during the winter via the Energy Bills Support Scheme (EBSS) and the Energy Price Guarantee (EPG)
- The Government support is primarily delivered directly as a credit to electricity bills and as a reduction to the unit cost of electricity and gas.
- Around one million households across the UK would miss out on EBSS as they do not directly contract with an electricity supplier. They would instead qualify for £400 assistance via the Energy Bills Support Scheme Alternative Funding (EBSSAF).
- In addition, the Government had announced the Alternative Fuel Payments (AFP) for households that use fuels other than gas to heat their homes.
- On 6 December 2022 BEIS provided an update to Local Authorities setting out what the Authorities role would be in getting these payments to eligible households.

RESOLVED THAT COMMITTEE:

1. Noted the additional work required to administer these payments for BEIS and to delegate to the Director of Resources to instigate payments once further detail is provided by BEIS.
2. Approved the purchase of the NEC Citizens Access Revenues module to help reduce the administrative burden on the Finance and Revenues teams.
3. Noted that we will have a role in delivering AFP but further detail has not yet been forthcoming.

641

#### UK SHARED PROSPERITY FUND

The Director of Economic Development and Planning submitted a Report updating Members on the UK Shared Prosperity Fund.

Members were reminded that:

- On 13th April 2022 the UK Shared Prosperity Fund (UKSPF) was launched by the Department for Levelling Up, Housing & Communities.

- The Fund would provide £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. Ribble Valley's conditional allocation was £1,967,754 over a three-year funding period.
- On 5<sup>th</sup> December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) confirmed that the Council's Investment Plan had been accepted.
- The Secretary of State had allocated funding for 2022/23 with indicative allocations for the further two financial years up to and including 2024/25.

RESOLVED THAT COMMITTEE:

1. Confirmed their agreement to an exemption to our contract procedure rules in terms of the Rail Feasibility Work.
2. Noted the proposed scheme for the Mardale Changing Room refurbishment scheme and estimated cost.
3. Confirmed their agreement to utilising part of this year's UKSPF allocation to resurface and mark out the car park at Mardale.
4. Confirmed their agreement to an exemption to our contract procedure rules in terms of the Business support for net zero transition & decarbonisation project.
5. Confirmed they would like officers to investigate the feasibility of installing electric vehicle charging points within our village car parks.

642

AMENDMENT TO COMMITTEE MEETING SCHEDULE

The Director of Resources submitted a report seeking Members approval and recommendation of a change to the Council's Committee's meeting dates.

The Report noted that the closing date of Councillor nominations is at 4pm on 4 April 2023 and the work checking the nominations is likely to take a considerable amount of time that evening. It was proposed therefore that the date for Policy and Finance Committee be brought forward a week to 28 March 2023 and that Licensing Committee be brought forward a week to 21 March 2023 to accommodate this.

RESOLVED THAT COMMITTEE:

\*\*\*\*Approved and agreed to recommend to Full Council that the date for Policy and Finance Committee be amended from 4 April 2023 to 28 March 2023.\*\*\*\*

643

LANCASHIRE 2050

The Chief Executive submitted a Report informing members on progress with the Lancashire 2050 Strategic Plan.

Members were reminded that:

- The report presents progress made since January 2022, when the county council, together with Lancashire's 14 District and Unitary Councils considered and supported the proposal to develop a long-term Strategic Plan for Lancashire.
- The Report set out the general principles and high-level priorities contained in a strategic framework for Lancashire, known as "Lancashire 2050".
- This report also set out the continuing commitment to ensure that there continue to be opportunities for all the partner authorities to contribute to and influence thematic plans, including identifying specific schemes and activities.

#### 644 OMBUDSMAN REPORT

The Chief Executive submitted a report informing Members of Local Government Ombudsman ("LGO") compliance outcome.

Members were informed that:

- Following a report to Committee on 27 September 2023, training had as agreed been provided to CMT and all Heads of Services by an external training provider in two workshops on 18 October 2022 and 8 November 2022.

The Head of Legal and Democratic Services provided training to officers in each Directorate on 14,15,17 & 24 November 2022. The completion of this training was reported to the LGO on 24 November 2022. On 5 December 2022 the LGO responded welcoming the action the Council has taken following the report and that the compliance outcome would be recorded as "Remedy complete and satisfied"

#### 645 TREASURY MANAGEMENT MONITORING 2022/23

The Director of Resources submitted a Monitoring Report showing the Council's treasury management activities for the period 1 April 2022 to 31 December 2022.

Members were reminded that:

- The Council's approach to treasury management is set out in its 'Treasury Management Policies and Practices' document which governs the way that investments and cashflows are managed.
- The Policy is reviewed annually to ensure continued compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice.
- Treasury Management Policies and Practices were reviewed in advance of the 2022/23 financial year and were approved by this committee in March 2022 prior to full council in April 2022

#### 646 REVENUES AND BENEFITS GENERAL REPORT

The Director of Resources submitted a report informing Members of debts outstanding for business rates, council tax and sundry debtors. The report also updated Members on benefits performance, including benefits processing times and overpayment recovery.

647 COUNCIL TAX BASE 2023/24

The Director of Resources submitted a report informing members on the Council's Taxbase for 2023/24.

Members were reminded that the:

- The council tax base is set each year between 1 December and 31 January and is an important calculation which sets out the number of dwellings to which council tax is chargeable in an area or part of an area.
- To calculate the tax base for an area, the number of dwellings in each Council tax band is adjusted to take account of any discounts, premiums or exemptions.
- The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. These are then multiplied by the authority's estimated collection rate for the year.
- The tax base is used for the purposes of calculating the band d council tax for the billing authority and also major precepting authorities and parish councils.

648 MINUTES OF WORKING GROUPS

Minutes of the following Working Groups were provided to members for information.

- Climate Change Working Group

Budget Working Group

649 CLIMATE CHANGE WORKING GROUP - 5 APRIL 2022, 21 JULY 2022 AND 29 SEPTEMBER 2022

These minutes were provided for information.

(i) Minutes of Budget Working 25 August 2022 and 29 November 2022

RESOLVED: These minutes were provided for information.

650 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

651 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the next items of business being exempt information under Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 the press and public were excluded from the meeting.

652 TO APPROVE THE MINUTES OF THE PREVIOUS TWO MEETINGS AND EMERGENCY COMMITTEE DATED 29 NOVEMBER 2022

The minutes of the meetings held on 8 November, 29 November and the Emergency Committee also held on the 29 November were approved as a correct record and signed by the Chairman.

653 COUNCIL OWNED ASSETS

The Director of Economic Development and Planning submitted a report informing Members of the current position regarding Council owned assets and seeking approval to dispose of the assets. The report included an update on the offers that had been received to lease the former Over 60's club building in Longridge.

RESOLVED THAT COMMITTEE:

1. Agree that the property at 16/18 Lowergate, Clitheroe be advertised on the open market for sale with an asking price of £200,000 and for the Chief Executive to agree a suitable sale price.
2. Agree that the former Over 60's club be leased to Tails of The Town Pet Shop on a 10-year lease on the terms reported.

654 LOCAL TAXATION WRITE OFFS

The Director of Resources submitted a Report seeking approval to write off Council tax debts.

RESOLVED THAT COMMITTEE

Approved writing off £3,045.65 in Council Tax and £120.00 costs where it has not been possible to collect the amounts due.

655 HR DATA RETENTION POLICY - REFERENCE FROM PERSONNEL COMMITTEE

The Committee agreed to consider the request from Personnel Committee as an urgent item. The Director of Resources submitted a report asking Members to consider a request from that Committee for a supplementary estimate in respect of temporary staffing to undertake a project to ensure that all HR files are compliant with Data Protection, digitised and stored appropriately.

RESOLVED THAT COMMITTEE:

Approved a supplementary estimate of £17,000 on the revenue budget for 2022/23 for temporary staffing to undertake a project to ensure that all HR files are compliant with Data Protection, digitised and stored appropriately, over a six-month period, to be funded from the Business Rates Growth Earmarked Reserve.

The meeting closed at 8.07 pm

If you have any queries on these minutes please contact the committee clerk, Jenny Martin 01200 413214 [olwen.heap@ribblevalley.gov.uk](mailto:olwen.heap@ribblevalley.gov.uk).

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

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meeting date: 28 MARCH 2023  
 title: REVIEW OF FINANCIAL REGULATIONS AND CONTRACT PROCEDURE RULES  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: LAWSON ODDIE

### 1 PURPOSE

- 1.1 To recommend to Council the acceptance of the reviewed financial regulations and contract procedure rules. Also, the associated changes necessary to the Corporate Debt Write Off Policy.
- 1.2 Relevance to the Council's ambitions and priorities:
- This report contributes to the council's ambition to be a well-managed council providing efficient services based on identified customer needs.

### 2 BACKGROUND

- 2.1 The Council's financial regulations and contract procedure rules are key components of the Council's Constitution and Corporate Governance arrangements.
- 2.2 These documents are reviewed on an annual basis and any amendments are reported to committee for approval. It is good practice to keep the financial regulations and contract procedure rules under regular review in order to take account of evolving working practices and changes to law.

### 3 REVIEW OF FINANCIAL REGULATIONS

- 3.1 The financial regulations cover all aspects of the Council's financial arrangements and activities. They apply to every member and officer of the Council and anyone acting on the Council's behalf.
- 3.2 The financial regulations form part of the Council's Constitution and as a consequence require the additional approval of Full Council, where changes are made.
- 3.3 A full review of the existing financial regulations (Annex 1) has been carried out and the key headline changes can be summarised as:
- Changes to the procurement processes in respect of numbers of quotes and tendering limits:

Currently	Proposed
Up to £5,000 written quotations not needed but best value must be secured	Up to £10,000 written quotations not needed but best value must be secured
Over £5,000 but not exceeding £20,000 at least two written quotes must be obtained	Over £10,000 but not exceeding £100,000 at least three written quotes must be obtained
Over £20,000 but not exceeding £50,000 at least four written quotes must be obtained	Over £100,000 tender process must be followed
Over £50,000 tender process must be followed	

- Clarifying the insurance levels that should be sought from suppliers when asking for quotations or procuring through tender and offering guidance on additional levels of insurance or cover types that may be relevant depending on the works, goods or services being procured and the potential risks involved.
- Increasing the level of debt write off that needs committee approval from over £1,000 to over £5,000. As a consequence of this change the Corporate Debt Write Off Policy is also included at Annex 2 for approval.

3.4 The above changes, and the other additional changes that can be seen in the document that are proposed, largely reflect increasing costs through inflation, simplifying processes and also providing added clarity in areas where there have been increased levels of query.

#### 4 REVIEW OF CONTRACT PROCEDURE RULES

4.1 Attached at Annex 3 are the revised Contract Procedure Rules following the recent review.

4.2 The main changes that have been made to the Contract Procedure Rules reflect the above changes in respect of quote and tender requirements and clarity on insurance levels as detailed at paragraph 3.3 above.

4.3 In addition there are a number of additional points of clarity, including on the process for seeking exemptions, the need for electronic tender arrangements for those tenders above the Public Contract Regulations thresholds, and an update to the Public Contracts Regulations thresholds.

#### 5 IMPLEMENTATION AND TRAINING

5.1 Over the coming months a programme of training will be undertaken for staff to ensure that there is a full understanding of the requirements of these key documents.

5.2 This is particularly pertinent with the recent high levels of turnover of staff, including at more senior levels.

#### 6 RISK ASSESSMENT

- Resources – Operating without financial policies and procedures that are fit for purpose exposes the council to very great risks to its resources.
- Technical, Environmental and Legal – The financial regulations form part of the Council's Constitution. Under the requirements of the Local Government Act 1972 Section 151, the Financial Regulations provide a control framework through which the Director of Resources carries out their statutory duty on behalf of the council.
- Political – None
- Reputation – Financial regulations are an important part of the Council's Governance arrangements and will give the public confidence that the Council manages its financial affairs properly.
- Equality and Diversity – Effective financial and governance arrangements will ensure that equality and diversity matters remain a continued focus.

7 RECOMMENDED THAT COMMITTEE

- 7.1 Recommend to Full Council acceptance of the reviewed Financial Regulations and revised Contract Procedure Rules, together with the associated changes to the Corporate Debt Write Off Policy.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF38-23/LO/AC

17 March 2023

BACKGROUND WORKING PAPERS:

For further information please ask for Lawson Oddie



Ribble Valley  
Borough Council

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[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)

# Financial Regulations



# POLICY ADMINISTRATION

## POLICY OWNERSHIP

For any queries about this policy, please contact the plan owner.

<b>Department</b>	Resources		
<b>Owner</b>	Lawson Oddie	lawson.oddie@ribblevalley.gov.uk	01200 414541
<b>Committee</b>	Policy and Finance Committee		

This policy is maintained and published on behalf of Ribble Valley Borough Council. A copy of this policy will be published on the Council Intranet and will be reviewed and updated as stated below.

## VERSION CONTROL AND REVIEW DATE

Version	Date	Reason for Publication	Approved by Committee / Date	Next Review Date
V1	14 June 2021	Annual Review of Financial Regulations	Policy and Finance Committee – 22 June 2021	March 2022
V2	18 March 2022	Annual Review of Financial Regulations	Policy and Finance Committee – 29 March 2022	March 2023
V3	16 March 2023	Annual Review of Financial Regulations		March 2024

This policy will be reviewed, as a minimum, on an annual basis. However, consideration should be given to reviewing the policy should there be any changes in legislation or guidance. The policy/procedure owner will ensure the document is reviewed as stated.

## EQUALITY IMPLICATIONS

	Action	Yes / No
An Equality Impact Assessment (EIA) has been completed		No – Not Required having completed EIA Checklist
EIA Hyperlink	Not Applicable	

## SUPPORTING DOCUMENTS OR LEGISLATION RELATING TO THIS POLICY

Please include any supporting documents / legislation
1. Section 151 of the Local Government Act 1972
2. The Local Government Finance Act 1988
3. The Local Government and Housing Act 1989
4. The Accounts and Audit Regulations 2015
5. The Local Government Act 2003.

Ribble Valley Borough Council is committed to the delivery of quality services and so needs to be responsive to the changing demands and expectations of its customers.

In support of this aim the Council has a sound financial management framework in place, which is relevant and flexible enough to meet the challenges ahead. For example the changes from the traditional accepted role of local government to one of community leader including the introduction of greater partnership working has a major influence on the delivery of local services. The establishment of Financial Regulations provides the financial controls and procedures necessary to address the modern demands on local government. They also provide clarity about the financial accountabilities of individuals - Members, the Chief Executive (the Head of Paid Service), the Monitoring Officer, the Director of Resources (Section 151 Officer) and other Directors, Heads of Service and staff generally. The Regulations are therefore formally endorsed by the Council as a key part of the Council's Constitution.

The Financial Regulations, as set out here, provide the overall key control framework to enable the organisation to exercise effective financial management and control of its resources and assets. Another key purpose of the Regulations is to support and protect Members and staff in the performance of their duties where financial issues are involved.

These Regulations need to be read in conjunction with the remainder of the Constitution and any other regulatory documents of the Council.

Please address queries or comments regarding the Council's Financial Regulations to the Head of Financial Services.

# RIBBLE VALLEY BOROUGH COUNCIL FINANCIAL REGULATIONS

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# Section 1: General

## WHY ARE THESE REGULATIONS IMPORTANT?

It is important that the Council has a sound and effective financial management framework in place to safeguard the organisation's financial arrangements and activities, to support staff and to minimise risk. The Local Government Act 1972 Section 151 requires the Council to nominate one of its Officers to be responsible for the proper administration of its financial affairs. The Officer so appointed is the Director of Resources. Financial Regulations form part of the Council's approach to corporate governance and provide a control framework through which the Director of Resources carries out their statutory duty on behalf of the Authority.

The Financial Regulations and their application also form part of the Council's performance framework and an assessment of their effectiveness will contribute to the result of any external assessment of the Council.

### (1) Application of Financial Regulations

Financial Regulations are the framework for managing the authority's financial affairs. They apply to every Member and Officer of the authority and anyone acting on its behalf:

- (i) These Regulations identify the financial responsibilities of the Council, the Head of Paid Service, the Monitoring Officer, the Section 151 Officer and Directors generally. **References to Directors include the Chief Executive.** References to the Director of Resources refer to their role as Section 151 Officer.
- (ii) **References in these Regulations to Directors, including the Director of Resources, also apply to Heads of Service, and other senior staff and shall in every case be considered as referring to authorised persons acting on their behalf (whether authorised or not).** In certain cases as specified in these Regulations, Directors are required to maintain a written record where decision making has been delegated to members of their staff, including seconded and temporary staff, and to supply up-to-date copies to the Director of Resources.
- (iii) These Regulations apply equally to any service carried out by the Council on behalf of the County Council or any other authority, body or person, and to all external agencies and their employees incurring expenditure or receiving income on behalf of the Council. Accordingly, Directors shall ensure that partnership and other arrangements with external parties are not set up to operate in conflict with these Regulations as far as this Council's involvement is concerned.

- (iv) Any action which is an exception to these Regulations may only be approved in exceptional circumstances by the Director of Resources in consultation with the Chairman of the Policy and Finance Committee and a report setting out the reasons for such action shall be submitted to the next meeting of that Committee.
- (v) These Regulations shall apply until such time as they are rescinded, amended or suspended by the Council.

## (2) **General Responsibility**

- (i) All Members and staff have a general responsibility for taking reasonable action to provide for the security of any assets under their control, and for ensuring that the use of resources is legal, is properly authorised, provides value for money and achieves best value.
- (ii) Directors are responsible for informing the Director of Resources of any matter liable to materially affect the finances of the Council including negotiations with government departments before any commitment is incurred or arrangements reached.

## (3) **Compliance**

Directors are responsible for making all staff in their departments aware of the existence and content of these Financial Regulations and any related Financial Procedure notes and for their compliance with them. They must also make an adequate supply of copies available for reference within their departments.

## (4) **Review**

- (i) The Director of Resources shall maintain a continuous review of the Financial Regulations and, except where provided in (ii) below, submit any necessary additions or changes in law or practice to the Policy and Finance Committee for approval by the Full Council. They shall also report to the Chief Executive and/or Policy and Finance Committee where they consider appropriate any breaches of the Financial Regulations.
- (ii) Any financial amounts referred to in these Regulations may be varied by the Director of Resources in line with general price inflation or otherwise as required by statute
- (iii) The Director of Resources may issue from time to time Financial Procedure Notes to support these Regulations. These will prescribe more-detailed financial controls and procedures consistent with these Regulations and such supplementary controls and procedures shall carry the same status as these Regulations.

## Section 2: Internal Controls

### WHY ARE THESE REGULATIONS IMPORTANT?

The functions of the Authority are diverse and therefore to ensure delivery of the Council's strategic objectives, a framework of internal controls is required.

The Authority has statutory obligations and therefore requires internal controls to identify, meet and monitor compliance with these obligations. Moreover the Council is required to conduct an annual review of the effectiveness of its system of internal control and present an Annual Governance Statement alongside the Annual Statement of Accounts.

The Authority faces a wide range of financial, administrative and commercial risks, from both internal and external factors, which need to be managed to enable the Council to achieve its objectives. Internal controls are necessary to manage these risks.

A system of internal controls is established in order to provide measurable achievement of: (a) efficient and effective operations, (b) reliable financial information and reporting, (c) compliance with laws and regulations, and (d) risk management.

- (1) The Director of Resources has statutory duties in relation to the financial administration and stewardship of the authority. This responsibility cannot be overridden. The statutory duties arise from:
  - (i) Section 151 of the Local Government Act 1972
  - (ii) The Local Government Finance Act 1988
  - (iii) The Local Government and Housing Act 1989
  - (iv) The Accounts and Audit Regulations 2015
  - (v) The Local Government Act 2003.
  
- (2) The Director of Resources is responsible for:
  - (i) the proper administration of the authority's financial affairs
  - (ii) setting financial management standards and monitoring compliance with them
  - (iii) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
  - (iv) providing financial information
  - (v) preparing the revenue budget and capital programme
  - (vi) treasury management
  - (vii) reporting on the robustness of estimates made for the purposes of preparing budgets and the adequacy of the proposed financial reserves.

- (3) The Director of Resources shall report to the Full Council and external auditor in fulfilment of their statutory obligations under Section 114 of the Local Government Finance Act 1988 or otherwise if the authority or any of its Officers:
- (i) has made, or is about to make, a decision which involves incurring unlawful or unauthorised expenditure
  - (ii) has taken, or is about to take, an unlawful or unauthorised action which has resulted or would result in a loss or deficiency to the authority
  - (iii) has made or is about to make an unlawful or unauthorised entry in the authority's accounts.
- (4) Directors are responsible for ensuring that:
- (i) Service Committees are advised of the financial implications of all proposals and that these have been previously agreed by the Director of Resources.
  - (ii) contracts are duly signed on behalf of the authority
  - (iii) the approval of the Director of Resources is sought on any matter liable to affect the authority's finances materially, before any commitments are incurred.
- (5) The Director of Resources shall assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective operations, financial stewardship, probity and compliance with laws and regulations.
- (6) Directors shall ensure that:
- (i) managerial control systems operate effectively throughout their departments. These will include the defining of policies, the setting of objectives and plans, the monitoring of financial and other performance, and the taking of appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities and ensuring staff have a clear understanding of the consequences of any lack of control
  - (ii) financial and operational control systems and procedures operate effectively throughout their departments. These will include physical safeguards for assets, segregation of duties, checking and authorisation procedures and information systems
  - (iii) key controls and control objectives for internal control systems are reviewed regularly in order to be confident as to the proper use of resources, achievement of objectives and management of risk.
  - (iv) processes are managed so as to check that established controls are being adhered to and are effective
  - (v) existing controls are reviewed in the light of changes affecting the authority and new controls are established and implemented in line with guidance from the Director of Resources.

- (vi) controls which are no longer necessary, or no longer cost or risk effective, are removed.
  - (vii) where new services or processes are introduced, then adequate controls are put in to place **immediately** to ensure the proper use of resources, achievement of objectives and management of risk.
- (7) The Director of Resources shall ensure that there is an effective and properly resourced internal audit function.

## Section 3: Accounting

### WHY ARE THESE REGULATIONS IMPORTANT?

Maintaining proper accounting records is one of the ways in which the authority discharges its responsibility for stewardship of public resources. The authority has a statutory duty to prepare its Annual Statement of Accounts in a way which gives a true and fair view of its operations during the year. The accounts are subject to external audit, which provides assurance that they have been prepared properly, that proper accounting practices and statutory requirements have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources. There is also a statutory right for members of the public to inspect the accounts and relevant supporting documentation.

- (1) The Director of Resources is responsible:
  - (i) for selecting and applying appropriate accounting policies
  - (ii) for determining accounting procedures and records.
- (2) The Director of Resources shall:
  - (i) make arrangements for the proper administration of the authority's financial affairs
  - (ii) apply accounting policies consistently
  - (iii) maintain proper accounting records
  - (iv) make an annual report to the Policy and Finance Committee on the financial outturn for the previous financial year
  - (v) ensure that the Statement of Accounts for that year is completed, approved by the Accounts and Audit Committee and published within the corporate and statutory timetable and in accordance with relevant Codes of Practice.
- (3) Directors shall ensure:
  - (i) that all the authority's transactions, material commitments, contracts and other essential accounting information are recorded completely, accurately and promptly.
  - (ii) that in the allocation of accounting duties of any kind:
    - (a) the duty of providing information, calculating, checking and recording sums due to or from the Council shall be separated as completely as possible from the duty of collecting or disbursing such sums.

- (b) Officers charged with the duty of examining and checking the accounts of cash or stores transactions shall not themselves be engaged in any of those transactions.
- (iii) that any Financial Procedure Notes prescribed by the Director of Resources are fully complied with.
- (iv) that the Director of Resources is supplied with such information as may be requested from time to time for the purpose of the proper administration of the Council's affairs.
- (v) that all returns or claims that request financial information shall be completed in consultation with the Director of Resources, who shall be satisfied as to their correctness before they are submitted.
- (vi) that the Director of Resources is provided with copies of all Government or other circulars, orders, sanctions, approvals and regulations which may have a financial implication.

## Section 4: Revenue Budget

### WHY ARE THESE REGULATIONS IMPORTANT?

The Council is responsible for producing an overall policy framework. The purpose of the framework is to explain overall priorities and objectives, and ensure that resources follow the identified priorities, current performance and proposals for improvement. The revenue budget is important in this context because, together with the capital programme (see Section 5), it expresses the approved policies and service levels of the Council in financial terms.

Once approved, the revenue budget confers authority on managers to incur expenditure to achieve the aims and objectives of the Council. If expenditure plans cannot be met within the approved budget, then they can only proceed with an approval to divert funds (as provided for in Section 6(4)).

- (1) The Director of Resources shall:
  - (i) recommend to the Policy and Finance Committee appropriate guidelines for preparation of the annual budget and the financial forecast for at least the following two financial years
  - (ii) issue appropriate guidance to Directors and Members and prepare a corporate budget timetable
  - (iii) ensure the approved budget guidelines are complied with so that statutory and other deadlines can be met.
- (2) Directors shall:
  - (i) submit to the Director of Resources estimates in accordance with the budget guidelines and within agreed time scales
  - (ii) ensure that the estimates are prepared having regard to the Council's Corporate Strategy and other corporate aims and objectives
  - (iii) provide any other information the Director of Resources may require.
- (3) The Director of Resources shall report to the Policy and Finance Committee:
  - (i) on the detailed draft revenue estimates, ensuring that the content and format comply with legal requirements and relevant codes of practice
  - (ii) on the robustness of the estimates made for the purposes of calculations and the adequacy of the proposed financial reserves
  - (iii) the position on the Collection Fund

- (iv) on the final proposed budget to enable the Policy and Finance Committee to make a recommendation to Full Council on the appropriate levels of contingencies and reserves, and on the levels of Council Tax for the year.
- (4) Subject to (5) below, the approval of a budget for the year by Full Council confers authority to spend in accordance with the budget for that year. Commitments affecting future financial years may only be made where the provisions of Section 6(6) are satisfied. Directors are responsible for coordinating programmes of expenditure and income that will achieve the objectives on which the budget was based.
- (5) Directors shall not enter into any new arrangements or other contractual commitments with long-term revenue consequences without the prior written consent of the Director of Resources. Such arrangements may be defined for this purpose as any lease, contract hire or other contract or series of contracts under which the use of an asset is obtained in exchange for a series of revenue payments which extend beyond the end of the following financial year.
- (6) If a Director wishes to incur expenditure outside the approved budget provision, or anticipates an overspend against an approved budget head, the procedures set out in Section 6(4) and (5) shall apply.
- (7) Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 5: Capital Programme

### WHY ARE THESE REGULATIONS IMPORTANT?

The revenue budget (Section 4) and the capital programme together express the approved policies and service levels of the Council in financial terms. It is important to ensure that the Council achieves maximum economy, efficiency and effectiveness from the use of its capital resources and directs those resources into the agreed priority areas.

- (1) The Director of Resources shall:
  - (i) prepare current estimates of resources available to finance capital expenditure in the current year and over at least the following two financial years
  - (ii) prepare a capital programme and strategy for approval annually by the Policy and Finance Committee and Full Council based on the current Council's Corporate Strategy, and other relevant corporate plans and strategies.
- (2) Directors shall:
  - (i) submit to the Director of Resources upon request estimates of the cost of capital spending proposals and the estimated amount and timing of any capital receipts, commuted sums and other contributions receivable
  - (ii) ensure that the estimates submitted are prepared having regard to the Council's Corporate Strategy and other corporate aims and objectives.
  - (iii) provide any other information the Director of Resources may require for the review, monitoring or control of the capital programme.
- (3) In working up any capital scheme, Directors shall have regard to the risk of triggering clawback or breaching restrictive covenants or other contractual conditions in relation to land or otherwise.
- (4) The inclusion of a capital scheme within an approved capital programme shall confer authority to spend only on those schemes in year 1 of the capital programme, with any future schemes being subject to the annual review of the capital programme. Authority to spend is subject to:
  - (i) the provisions of the Council's Contract Procedure Rules
  - (ii) the provisions of (5) below

- (iii) the Director of Resources having first confirmed in writing that sufficient resources are available for the purpose.
  
- (5) If a Director wishes to incur expenditure outside the approved capital programme provision, then following consideration initially at Corporate Management Team, a request must be submitted to the relevant service committee. The service committee must then make recommendation of approval of such in to the capital programme to Policy and Finance Committee
  
- (6) Directors shall give the Director of Resources early warning of known underspends, overspends and changes to planned resources so that the availability of uncommitted capital resources may be monitored effectively.
  
- (7) Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 6: Budgetary Control

### WHY ARE THESE REGULATIONS IMPORTANT?

Budgetary control ensures that once Full Council has approved a revenue budget or a capital programme, the resources allocated are used for their intended purposes, i.e. the agreed priority areas, and are properly accounted for. It is a continuous process, enabling the authority to review and adjust its budget targets during the financial year to make the most effective use of resources in delivering the Council's policies and objectives. The budgetary control framework also sets out the accountabilities of managers for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, the authority can identify changes in trends and resource requirements at the earliest opportunity.

To ensure that the authority as a whole does not over or underspend, each service is required to manage its own expenditure within approved resources and to identify any surplus resources for diversion to other programme areas. A mechanism is provided for switching funds between budget heads, including contingencies and reserves, where required, in order to maintain service levels and achieve policy objectives.

#### (1) Overall Responsibility for Budgetary Control

The Director of Resources is responsible:

- (i) to the Council for the overall financial control of the revenue budget and capital programme
- (ii) for providing quarterly monitoring reports
- (iii) for subdividing service budgets within the overall budget framework according to Council structure and services, having regard to relevant Codes of Practice
- (iv) for allocating the revenue budget and capital programme wholly among responsible Directors
- (v) for supplying timely information on receipts and payments on each budget head and capital scheme, sufficiently detailed to enable managers to fulfill their budgetary control responsibilities.

#### (2) Responsibility for Control of Individual Budgets

Directors are responsible:

- (i) for the revenue budgets and capital programmes allocated to them, for delivering the levels of service on which they were based, and for compliance with their financial obligations
- (ii) for monitoring levels of service and performance within services, as measured by expenditure and income incurred against relevant budget heads and capital programme provision
- (iii) for seeking variations, either to increase or to reduce the provision allocated to particular budget heads or capital schemes, in accordance with (4) below in order to maintain budget provisions in line with the service levels required and

Directors:

- (i) may exercise powers delegated to them to enter into new financial commitments, including commitments relating to recruitment and remuneration of staff where such posts have been approved in to the council's establishment list or approval has been given for the appointment of temporary staffing by the Chief Executive, but **only where adequate provision has been made** in the revenue budget or capital programme and where the revenue consequences for future financial years are in accordance with (6) below
- (ii) shall provide any additional information the Director of Resources may require.

(3) **Variances from Budget**

The Director of Resources is responsible

- (i) for reporting significant variances to the Policy and Finance Committee where a Director fails to take action under (4) to (6) below
- (ii) for agreeing annually:
  - (a) a list of expenditure proposals for which revenue budget provision had been made in the previous year and for which the particular goods or services had not been supplied before the financial year end.
  - (b) a list of expenditure proposals on capital schemes for which provision had been made in the capital programme for the previous year but which was under or overspent.

(4) **Virements Between Budgets**

Subject to appropriate consultation with the Director of Resources, budget allocations may be moved between revenue budget heads (including contingency provisions) for the purpose of maintaining approved service levels, in accordance with the following scheme of virements:

(i) Revenue Budgets

All requests must be approved by the Service Director and also the Director of Resources. Further approval from committees must also be given in accordance with the details shown below

Over £10,000                      also by the Service Committee

Over £25,000                    also by Policy and Finance Committee

(ii) Capital Budgets

Any request for virement between capital schemes must be approved by the service committee and Policy and Finance Committee.

No virement can take place between a revenue and a capital budget.

(iii) Virement Requests

Unless in circumstances seen as exceptional by the Director of Resources:

- approval will only be given to requests for virements made prior to the commitment of any expenditure. Virements should not be used as a retrospective tool
- virements will not normally be approved from budgets in respect of direct employee costs
- virements will only be considered from income budgets once the full year income budget has been achieved, or is certain of being achieved (i.e. through written grant approvals)
- virements will not be approved in respect of monies set aside in earmarked reserves.

In making any virement decision, due regard shall be had to any budget implications for future financial years.

(5) Supplementary Estimates

(i) Revenue expenditure

Where no provision currently exists in the revenue budget, or where the provision made for an existing budget head is insufficient and a virement is not available under (4) above, then new or additional budget provision may only be established with the approval of the Policy and Finance Committee and in making any such decision, shall have due regard to any budget implications for future financial years.

Any request for a supplementary estimate must only be made by the relevant Service Director and with approval of the Director of Resources, and must first be requested from the service committee, with a reference then to be made to Policy and Finance Committee for approval.

Any identified areas of funding in support of a request for a supplementary estimate must be made clear.

(ii) Capital expenditure

Where no provision currently exists in the capital programme, or where an existing provision is insufficient and a virement is not available under (4) above, then, new or additional provision may only be established for the scheme with the approval of the Policy and Finance Committee, who in making any such decision, shall pay due regard to any implications for the capital programme or revenue budget in future financial years.

Any request for an additional approval must only be made by the relevant Service Director and with approval of the Director of Resources, and must first be requested from the service committee, with a reference then to be made to Policy and Finance Committee for approval

(iii) Partnership Expenditure and External Funding

Where no provision currently exists in the revenue budget or capital programme for specific projects or activities which are to be wholly or partly funded by external agencies or partners, then the above criteria for virements and supplementary estimates will apply to the value of the Council's net financial contribution to the revenue or capital cost of the project.

The Director of Resources is empowered to adjust revenue budgets and capital programmes to reflect the gross value of all such arrangements and transactions.

Directors and Heads of Service must liaise with the Director of Resources, and refer to Section 9 of these Regulations, **prior** to undertaking any bidding for external funding or setting up any partnerships.

**(6) Commitments of Revenue Expenditure Affecting Future Financial Years.**

The following arrangements shall apply in relation to the commitment of expenditure prior to the approval of the revenue budget for the financial year concerned:

- (i) Directors may commit expenditure affecting future financial years provided the estimated cost in real terms does not exceed the current year's budget provision and that the written consent of the Director of Resources is obtained.
- (ii) Directors may only commit expenditure on new or extended services with the approval of the relevant Service Committee and Policy and Finance Committee

**(7) Delegation**

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

**(8) Other Matters Affecting Budgets**

Directors are responsible for alerting the Director of Resources of any issues with the potential to affect revenue or capital budgets or resources in the current year or future years, and where significant the Director of Resources shall report such matters to the Policy and Finance Committee.

# Section 7: Procuring and Paying for Works, Supplies and Services

## WHY ARE THESE REGULATIONS IMPORTANT?

The letting of public contracts should be done with demonstrable transparency and in accordance with Council policies, including the ~~policy on fraud and corruption~~ [Counter Fraud, Bribery and Corruption Policy Statement and Strategy](#). It is essential for maintaining public confidence that the Council and its Officers are seen to act with complete fairness and impartiality in the letting of contracts.

The Council has a statutory duty to achieve best value, partly through economy and efficiency. There is also a local performance indicator measuring and reporting on the time taken by the Council to pay its creditors. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements.

These Regulations ~~should~~ must be read in conjunction with the Council's Contract Procedure Rules and its Procurement Strategy.

### (1) Placing Orders for Works, Supplies and Services

- (i) Where, **over the anticipated lifetime of supply**, the estimated value of any works, supplies or services to be received by the Council exceeds ~~£50,000~~ [£100,000](#) (excluding VAT), Directors shall invite tenders in accordance with the Contract Procedure Rules
- (ii) Where, over the anticipated lifetime of supply, the estimated value of any works, supplies or services to be received by the Council is below ~~£50,000~~ [£100,000](#) (excluding VAT), Directors may at their discretion invite tenders in accordance with the Contract Procedure Rules
- (iii) In all other cases, Directors shall place orders, using the corporate purchasing system only, in accordance with arrangements determined by the Director of Resources and set out in the Contract Procedure Rules. In accordance with the thresholds listed in the Contract Procedure Rules, a Contract where the estimated value is:
  - a) ~~£5,000~~ [£10,000](#) or less may be made without written competitive quotations as long as the Contract is not part of a larger Contract. However, it must still be ensured that the best price is secured and value for money is maintained and as such it may be desirable to obtain quotes in order to gain that assurance.
  - b) over ~~£5,000~~ [£10,000](#) but not exceeding ~~£20,000~~ [£100,000](#) may be made after obtaining **at least ~~two~~ three** written quotations. It is advised that a greater number of quotes may need to be sought in order to ensure that three as a minimum are returned;

- ~~c) over £20,000 but not exceeding £50,000 may be made after obtaining at least four written quotations;~~
- (iv) All invitations to quote must cover (but not exclusively) the following matters to ensure that the person(s) providing the quote are fully aware of their requirements should they be awarded the work, service or supply
- a) Detailed specification of works or goods required, including expected timelines
  - b) Details of how the different quotes received will be compared (ie price only, or together with qualitative considerations)
  - c) Reference and link to the Council's Standard Terms and Conditions of Purchase
  - d) Insurance Cover Requirements

## (2) Other Contract Terms

Directors shall:

- (i) in consultation with the Director of Resources include in every contract appropriate clauses to cover financial and insurance requirements, and to provide sufficient security for due performance
- (ii) put in place adequate procedures for the effective cost control of all contracts, including regular contract management meetings.
- (iii) ensure the full involvement of the Head of Legal and Democratic Services and Procurement Assistant **prior** to commencement of any tender process.
- (iv) ensure that all officers are aware of the disclosure requirements in respect of conflicts of interests under Section 117 of the Local Government Act 1972.

## (3) Receipt of Works, Supplies and Services

Directors shall put in place adequate systems for verifying the performance of work or the receipt of supplies and services. In particular controls shall be established to ensure that:

- (i) work done or supplies and services received are as specified
- (ii) quality or workmanship is of the required standard
- (iii) appropriate entries are made in inventory, stock or other records.

(4) **Payment for Works, Supplies and Services**

- (i) Directors shall make adequate and effective arrangements approved by the Director of Resources for checking and certifying invoices and other requests for payment without undue delay
- (ii) Unless covered by (iii) below or where otherwise approved by the Director of Resources, all payments shall be made by BACS/automated bank transfer or crossed cheque drawn on a bank account of the Council. Payments may only be made by direct debit or corporate credit card with the **prior** approval of the Director of Resources.
- (iii) Minor items of expenditure, up to a limit set by the Director of Resources, may be paid under petty cash procedures.
- (iv) Excluding the petty cash arrangements above no officer must use their own personal monies to procure works, supplies of services on behalf of the council, other than in instances of extreme emergency and with the approval of the relevant Director.

(5) **Delegation**

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to ordering and paying for works, goods or services, together with specimen signatures and details of any limitation on the authority delegated to them.

(6) **General**

- (i) Every Member and Officer engaged in contractual or purchasing decisions on behalf of the Council shall declare to the Head of Legal and Democratic Services any links or personal interests they may have with purchasers, suppliers and contractors, and shall comply with the provisions of the appropriate codes of conduct.
- (ii) Directors shall ensure that as far as is practicable the duties of ordering works, supplies or services, receiving them and certifying payment are not performed by the same Officer.

## Section 8: Work Carried Out for Others

### WHY ARE THESE REGULATIONS IMPORTANT?

Legislation enables the Council to provide a range of services to other bodies. Such work may help maintain economies of scale and existing expertise. It may also be helpful to share the Council's facilities, expertise and resources with others under partnership arrangements. Effective controls should be in place to ensure that any risks associated with such work are minimised and that the work falls within the Council's statutory powers

- (1) Financial Regulations apply equally to any service carried out by the Council on behalf of the County Council or any other authority, body or person, and Directors shall not set up partnership or other arrangements with external parties to operate in conflict with these Regulations as far as this Council's involvement is concerned.
- (2) Directors shall:
  - (i) properly assess the financial implications of the proposal **prior** to commitment following consultation with the Director of Resources.
  - (ii) draw up contracts in consultation with the Head of Legal and Democratic Services, having regard to the Council's powers, relevant policies and protocols and in compliance with any insurance or other requirements of the Director of Resources.

## Section 9: External Funding and Partnership Arrangements

### WHY ARE THESE REGULATIONS IMPORTANT?

Partnerships play a key role in delivering community strategies and in helping to promote and improve the well being of the borough. The Council works in partnership with others - public agencies, private companies, community groups and voluntary organisations - and its distinctive leadership role is to bring together the contributions of the various stakeholders. The Council will mobilise investment, bid for funds, champion the needs and harness the energies of local people and community organisations. It will be measured by what it achieves in partnership with others.

Partnerships can provide ways to access new resources and share risk. They can also lead to innovative and improved ways of delivering services whilst forging new relationships. Whilst external funding is a very important source of income, funding conditions need to be carefully considered to ensure they are compatible with the aims and objectives of the Council. In some instances, tight specifications may not be flexible enough to link to the authority's overall plan. Also, new ways of working can increase the Council's exposure to fraud and to irregularities in the operation of, for example, VAT, insurances, and pay.

#### (1) Bidding for External Funding

- (i) Directors shall seek external resources only to further the priorities and aims of the Council's Corporate Strategy.
- (ii) Before making a bid for resources which, if successful, would require any financial commitment from the Council, Directors shall ensure that appropriate budgets have been approved or earmarked in accordance with these Regulations
- (iii) In working up bids, Directors shall use appropriate project appraisal processes to assess the viability of the project in terms of resources, staffing and expertise, to identify and assess all potential risks, and to ensure achievement of the required outcomes.
- (iv) Completion of any bidding application must be carried out in consultation with the Director of Resources

#### (2) Setting up Partnerships

- (i) Directors shall agree and accept formally in writing the roles and responsibilities of each of the partners involved in a partnership project before the project commences. Any initial proposals must first be reported to and considered by the council's Corporate Management Team.

- (ii) Where the Council is to be the lead partner, or the accountable body where other funds are involved, the responsibilities of the Council and the obligations of the various partners are to be clearly defined, ~~and~~ understood and documented through the involvement of the Director of Resources and the Head of Legal and Democratic Services prior to commencement of the project. The Council will only enter into such arrangements where the council has a direct interest in the partnership.
- (iii) Directors shall consult the Director of Resources on:
  - (a) any financial control, insurance, VAT implications and audit requirements to be incorporated in the partnership arrangements
  - (b) the overall financial implications for the Council
- (iv) Prior to entering into any commitment, the relevant Director shall ensure that any match funding or other financial obligations of the Council are provided for within revenue or capital programmes and that arrangements are made for future years' financial provisions to reflect these obligations. This should include any audit and other consequential fees as appropriate.
- (v) Unless otherwise approved by the Director of Resources in writing, where the Council is to act as accountable body, banking arrangements will be through the Council's main bank account and all transactions will be processed through the Council's financial systems.

(3) **Working with Partners**

- (i) **These Financial Regulations and the Council's Contract Procedure Rules shall apply equally to any orders for works, goods or services which are the responsibility of the Council under the partnership arrangements**
- (ii) The relevant Director shall comply with any key conditions of funding and any statutory requirements
- (iii) Any variation in resources to be contributed by the Council, or in the overall resources of the partnership where the Council is the accountable body, shall be dealt with in the same way as other budget variations as set out in Section 6 (Budgetary Control)
- (iv) The relevant Director shall ensure that any financial control, insurance and audit requirements of the partnership are met
- (v) The relevant Director shall communicate regularly with the other partners throughout the project so that problems are identified and shared to achieve their successful resolution.

(4) **Delegation**

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 10: Income

### WHY ARE THESE REGULATIONS IMPORTANT?

It is essential that all income due to the Council is identified, collected, receipted and banked promptly. To achieve this it is necessary to put effective income systems in place. It is preferable to obtain income in advance of supplying goods or services as this improves the authority's cash flow and also avoids the time and cost involved in administering debts.

#### (1) General

Directors shall implement arrangements made by them under this Section only with the approval of the Director of Resources.

#### (2) Prompt Identification of Sums Due to the Council

Directors shall make adequate and effective arrangements for the prompt identification of all sums due to the Council.

#### (3) Prompt Recording in the Council's Accounts of all Sums Due

- (i) Directors shall make adequate and effective arrangements for recording all sums due in the Council's accounts
- (ii) Accounts for sums due may only be raised on the Council's corporate Sundry Debtors system, unless alternative arrangements have been approved in writing by the Director of Resources.

#### (4) Collection and Receipting of all Income

All income received by the Council must be acknowledged by the issue of an official receipt or by another approved method indicating payment has been received. Preference must always be given to collecting sums due through the raising of invoices through the corporate Sundry Debtors system where possible.

All money received by an officer on behalf of the Council, or the Council in its accountable body role, must be paid to the Council's bank account as the Director of Resources may determine and at intervals taking in to account the security of the premises. No deductions are to be made from such monies and personal cheques are not to be cashed out of monies held on behalf of the Council. Any refunds must be made only through the council's official payments system, unless agreed by the Director of Resources.

Arrangements for opening incoming mail must ensure that any money received is immediately recorded and paid in to the cash office.

The council's cash handling procedures shall be followed by all officers.

Directors shall make adequate and effective arrangements for the collection and receipting of all income and for the security of all cash and other valuables having regard to agreed insurance limits for locked safes.

(5) **Control of Tickets and Receipts**

Official receipt books, tickets, tokens, etc., shall be ordered, controlled and issued only under arrangements approved by the Director of Resources.

(6) **Banking of Income**

The Director of Resources shall make arrangements for the prompt and secure transfer of cash from the Council's offices to the Council's bankers.

(7) **Reconciliation of Income**

Directors shall make adequate and effective arrangements for the sums collected and banked to be reconciled with the records of sums due. Such records and ICT systems will also be reconciled to the corporate accounting system.

(8) **Debt Recovery**

In all cases Directors shall take prompt and appropriate actions to recover all sums overdue to the Council and ensure that the corporate debt recovery policy is followed.

(9) **Writing off Sums Due**

- (i) Directors are responsible for recommending the write off of irrecoverable debts to the Director of Resources and for ensuring that the corporate debt write-off policy is followed.
- (ii) Where an individual debtor owes the Council no more than ~~£1,000~~£5,000, the Director of Resources may approve the write off of that debt where there is satisfactory evidence that it is irrecoverable. In any other case, the debt may be written off only with the approval of the Policy and Finance Committee.

(10) **Reviews of Fees and Charges**

Directors shall, in consultation with the Director of Resources, review all fees and charges at least annually in accordance with guidelines approved by the Policy and Finance Committee. On completion of each review, the relevant schedule of proposed fees and charges shall be presented to the appropriate Service Committee for approval.

(11) **Segregation of Duties**

The duty of providing information, calculating, checking and recording sums due to or from the Council shall be separated as completely as possible from the duty of collecting such sums.

# Section 11: Value Added Tax

## WHY ARE THESE REGULATIONS IMPORTANT?

Value Added Tax (VAT) is a tax applied to many of the goods and services the Council either buys in or supplies to others. VAT therefore impacts on many of the Council's financial transactions. Whilst generally speaking the Council is able to reclaim the VAT it pays on buying in goods and services, this ability is limited in relation to certain types of services made by the Council. VAT is a very complex tax, particularly where it relates to land and property transactions and partnership arrangements. It is essential that the VAT implications of all major projects, partnership arrangements and land and property transactions be evaluated well in advance of commitments being made. If this is not done the Council could be faced with a substantial irrecoverable VAT bill that is both unplanned and unbudgeted. HM Revenue & Customs also have the power to impose penalties (fines) for late or non-compliance with VAT rules.

- (1) The Director of Resources is responsible for the determination of all arrangements for the collection, recording, payment and recovery of VAT.
- (2) The Director of Resources shall:
  - (i) maintain complete and accurate accounting records of all the Council's VAT transactions
  - (ii) submit the Council's VAT return to HM Revenue and Customs monthly in accordance with statutory deadlines
  - (iii) prepare the Council's partial exemption calculation as at the end of each financial year and monitor the Council's partial exemption position.
  - (iv) conduct all negotiations with HM Revenue and Customs in respect of VAT matters affecting the Council
  - (v) provide guidance, advice and training to Council staff on all aspects of VAT as they affect the Council
  - (vi) publish and regularly update appropriate VAT guidance notes on the Council's intranet.

- (3) Directors shall:
- (i) properly account for VAT on all transactions under arrangements determined by the Director of Resources
  - (ii) consult the Director of Resources in all cases where the VAT treatment of any transaction is unclear so that the matter can be reviewed and appropriate treatment determined
  - (iii) consult the Director of Resources in all cases where new projects, schemes or services are proposed, well in advance of commitments being made, so that any impact on the Council's VAT position can be assessed and any necessary action taken to protect the Council's VAT recovery position
  - (iv) co-operate with any VAT inspector and give access at all reasonable times to premises, personnel, documents and assets which they consider necessary for the purposes of their work.
- 

### Examples of Activity with Potential VAT Implications

Examples of the types of new activity that could have an impact on the Council's VAT position are shown below. However, this list is not exhaustive and consultation should take place when any new or innovative scheme is proposed: -

- a new service
  - a significant extension to an existing service
  - a capital new-build scheme
  - a land or property transaction, including any involving a land exchange
  - a new or extended partnership arrangement
  - a scheme involving third party funding
  - an agency arrangement
  - any scheme where there is consideration in kind
  - a project where the council is to act as accountable body, or project manager
  - a new capital scheme in a service area where a large proportion of income is exempt from VAT (i.e. leisure services)
-

## Section 12: Banking and Cheques

### WHY ARE THESE REGULATIONS IMPORTANT?

The Council has a duty to ensure that all monies are properly safeguarded and only utilised for authorised purposes. It is therefore necessary to have controls to ensure the proper authorisation and control of all bank accounts, all payments made from them and all income deposited.

#### (1) Operation of Bank Accounts

- (i) The Director of Resources is responsible for opening, closing and operating all bank accounts and related facilities in the Council's name
- (ii) All communications with the Council's bankers concerning its bank accounts and any changes in banking arrangements shall be made under arrangements approved by the Director of Resources.
- (iii) No bank accounts shall be opened in any name other than the Council's name, unless approved in writing by the Director of Resources. The signatories on any such approved bank accounts must also be approved by the Director of Resources in writing.

#### (2) Authorisation of Signatories

Only Officers personally mandated by the Director of Resources and approved by the Policy and Finance Committee may sign cheques and other documents transferring funds out of the Council's bank accounts.

#### (3) Payments from Council Bank Accounts

- (i) All payments from the Council's bank accounts shall be, so far as is practicable, by BACS/automated bank transfer or crossed cheque drawn on a bank account of the Council but the Director of Resources may exclude from this regulation such payments as may be considered appropriate from time to time.
- (ii) No payments shall be made from the Council's bank accounts unless approved personally by a signatory authorised in accordance with (2) above.

#### (4) Custody of Cheques

- (i) All cheques and related stationery shall be ordered and controlled by the Director of Resources
- (ii) The safe custody and issue of cheques and related stationery shall be carried out under arrangements made by the Director of Resources.

(5) **Banking of Income**

The Director of Resources shall make arrangements for the prompt and secure transfer of cash from the Council's offices and facilities to the Council's bankers.

(6) **Reconciliation**

The Director of Resources shall regularly reconcile the Council's bank accounts with the accounting records.

## Section 13: Assets

### WHY ARE THESE REGULATIONS IMPORTANT?

The authority holds assets in the form of land and buildings, fixed plant, vehicles and machinery, furniture and equipment, software and data, cash and other items of value such as stocks and stores, tickets and vouchers. It is important that assets are used efficiently in service delivery, that they are adequately insured and that there are arrangements for the security of both assets and information required for service operations. Up to date records are a prerequisite for sound asset management. See also Sections 14 (Computer Systems) and 15 (Insurances).

#### 1) Proper Use of the Council's Resources

Resources are to be used solely for the purposes of the authority unless authorised otherwise by the Council, and are to be properly accounted for.

#### 2) Asset Register

The Chief Executive is responsible, in consultation with other Directors, for the compilation and maintenance of an asset register covering land and property and other fixed assets

#### 3) Inventories

- (i) Each Director is responsible for maintaining an inventory of moveable assets under procedures determined by the Director of Resources
- (ii) Inventories are to be reviewed at least once each year and an updated copy supplied to the Director of Resources.

#### 4) Security

Directors shall make proper arrangements for:

- (i) the security of all buildings and other assets under their control
- (ii) the safe custody of all documents held as security.

#### 5) Disposal of Assets

The Council has a duty to obtain the best price reasonably obtainable when any assets are disposed of.

The Head of Legal and Democratic Services may approve the disposal of any land and property below the value of £50,000. Approval must be sought from the relevant service committee and Policy and Finance Committee for the disposal of any land and property of £50,000 or above.

The Director of Resources must also be consulted on any proposed method of disposal for any assets in order to ensure that such methods meet the best interests of the Council and would maximise any financial return to the Council.

Each Director is responsible for ensuring that asset disposals are in accordance with these procedures.

(6) **Receipt, Control and Custody of Stocks and Stores**

Directors shall make adequate and effective arrangements for the custody, care and physical control of all stocks and stores in their departments.

(7) **Stocks and Stores Records**

- (i) In consultation with the Director of Resources, Directors shall maintain adequate records of all issues and other movements of stocks and stores
- (ii) Directors shall provide to the Director of Resources each year a stock certificate detailing stocks and stores in hand at 31 March.

(8) **Maintenance of Stocks**

- (i) Directors shall maintain stocks at reasonable levels and subject them to a regular independent physical check
- (ii) All discrepancies shall be investigated, pursued to a satisfactory conclusion and removed from the authority's records by making stock adjustments as necessary. Gains and losses resulting from stock adjustments shall only be written off or adjusted in the records under arrangements approved by the Director of Resources.

(9) **Disposal of Surplus, Obsolete or Redundant Stocks**

Directors shall ensure that all stocks and stores no longer required are disposed of economically under arrangements approved by the Director of Resources.

(10) **Delegation**

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to sign stock certificates and other related matters on their behalf, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 14: Computer Systems

### WHY ARE THESE REGULATIONS IMPORTANT?

A very high reliance is placed on computer systems for all aspects of the Council's business, including financial and management information. Systems therefore need to be fit for purpose, well managed and secure. The information stored must be accurate, the systems and the supporting infrastructures secure, and procedures sound and well administered.

- (1) New computer systems and changes to existing systems shall only be introduced with the approval of the ICT Manager and, for financial systems or those that interact with such systems, with the additional approval of the Director of Resources.
- (2) The Head of Financial Services, together with the ICT Manager shall:
  - (i) ensure that any new or significantly changed system is in accordance with the Council's ICT strategy.
  - (ii) assist in the selection of all new computer systems, manage effectively the technical process of implementation and where necessary assist Directors in ensuring that all staff are properly trained in their use.
  - (iii) ensure that the Council's infrastructure, systems and data are secure
  - (iv) make proper arrangements to protect central computer equipment against loss or damage through theft or misuse
  - (v) put in place a documented and tested disaster recovery system and review it regularly
  - (vi) issue mandatory standards and guidelines governing the use of all computer systems and monitor their use to ensure that they are adhered to.
  - (vii) make proper arrangements to dispose of redundant ICT equipment securely.
- (3) Directors shall:
  - (i) ensure that computer systems are fit for the purpose of their business function
  - (ii) make staff aware of and ensure that they comply with the Council's ICT standards

- (iii) train all staff in the proper and effective operation of any computer systems they are required to use and ensure that system administrators/system champions are appointed, trained and managed
  - (iv) restrict user access to systems and data held on computer systems as appropriate
  - (v) ensure that processing is genuine, complete, accurate and timely and that an audit trail exists to original documentation
  - (vi) ensure that information generated by computer systems is accurate and complete and that it is communicated to appropriate managers on a timely basis
  - (vii) put in place appropriate and effective contingency arrangements to maintain services in the event of any potential computer failure
  - (viii) register any personal information in accordance with data protection legislation and make staff aware of their responsibilities under the relevant law
  - (ix) make proper arrangements to protect departmental computer equipment against loss or damage through theft or misuse
  - (x) comply with data protection and GDPR, computer misuse, software licensing, copyright, design and patent legislation and any other relevant legislation, and in particular ensure that only software that is properly acquired is installed and used on computers.
- (4) **Security of Information**

Directors shall maintain proper security, privacy and use of information held in computers and all other recording systems, including manual systems, under their control and ensure all employees are aware of and comply with the Council's Information Governance Framework and associated policies.

## Section 15: Insurances

### WHY ARE THESE REGULATIONS IMPORTANT?

The provision of insurance cover is one of the major methods of responding to corporate and service risks identified under the Council's risk management arrangements (see Section 16). Cover can be arranged either externally (with major insurance companies) or through an internal insurance pool. Accurate record keeping and timely provision of information are essential if the Council's insurance cover is to be effective. This Section should be read in conjunction with that relating to Risk Management.

- (1) The Director of Resources is responsible for:
  - (i) effecting all insurance cover on a corporate basis, through external insurance or through internal self-insurance arrangements as considered appropriate
  - (ii) negotiating all claims, in consultation with relevant Directors where necessary.
- (2) Directors shall notify the Director of Resources immediately in writing:
  - (i) of all new risks, properties, vehicles or other assets that require insurance;
  - (ii) of any alterations to such risks or assets affecting existing insurances;
  - (iii) should any of the authority's assets be damaged, lost or stolen;
  - (iv) of any loss, liability, damage or personal injury that may lead to a claim against the authority.

and shall provide any related information or explanation required within time scales determined by the Director of Resources.
- (3) Directors shall ensure that no employee or other person covered by the authority's insurances admits liability (orally or in writing) or makes any offer to pay compensation, because this may prejudice a proper assessment of the Council's liability.
- (4) Directors shall maintain proper records relating to insurances effected by the authority, under arrangements approved by the Director of Resources.
- (5) Directors shall consult the Director of Resources and seek legal advice from the Head of Legal and Democratic Services on the terms of any indemnity that the authority is requested to give.

(6) Directors shall consult the Director of Resources to determine the minimum level of insurance cover required of any person or body (including all Council contractors) to indemnify the Council or to effect insurance cover in accordance with the Council's requirements.

(7) The following information provides guidance on the insurance requirements that should be considered.

(8) As a guide, the minimum levels of insurance that should be sought are as shown below. However, as outlined in the bullet points below, consideration should be given to the level of risk in respect of the contract (so whether a higher level of cover may need to be requested) and also the additional types of insurance that may need to be requested based on the nature of the contract:

<u>Type of Insurance</u>	<u>Level of Cover</u>
<u>Public Liability Insurance</u>	<u>£5 million</u>
<u>Employers Liability ( legal requirement)</u>	<u>£5 million</u>
<u>Professional Indemnity Insurance (where required due to nature of the work):</u>	<u>£2 million</u>

- **Public Liability Insurance** (sometimes known as third party liability insurance) – all requests for quotes, tenders and contracts for the provision of services and works, whether above or below the tender threshold, should contain a requirement for the contractor to provide public liability insurance. As a minimum the Council would generally require cover of £10,000,000 for each and every claim.

However, for relatively lower risk activities it may be appropriate to request cover of £5,000,000 for each and every claim. A risk assessment must be undertaken by the service in order to justify to the Director of Resources a limit below the general requirement for £10,000,000 and must not be influenced by the contractors/service providers ability or willingness to pay the premium required for the appropriate level of insurance.

- **Employer's Liability Insurance:** a contractor is required by law to have this cover. The legal minimum requirement is for £5,000,000 for each and every claim. If the contractor does not have such insurance, they are in breach of the law. As with Employer's Liability insurance, there is a legal obligation for a contractor to have motor insurance.
- **Professional Indemnity Insurance:** a requirement for such insurance will need to be included in a contract where the contractor is providing professional services e.g. architectural services. The amount of cover required of the contractor needs to be assessed in relation to the potential exposure for the Council if the contractor is negligent in providing the services. The cover is provided for an aggregate amount of claims during the year. A risk assessment must be undertaken by the service in order to justify the required level of insurance to the Director of Resources.

Examples of the types of services where you should be asking for this type of insurance to be in place are professional services, including expert advice and consultancy graphic design, architectural services, training in sensitive areas such as first aid, dealing with confidential customer information, freelancer, consultant or someone providing services on a self-employed basis.

- **Product liability Insurance:** you may need to include a requirement for this insurance where the council could be exposed to liability for defective products sold or supplied. A risk assessment must be undertaken by the service in order to justify the required level of insurance to the Director of Resources.
- **Cyber Insurance:** depending on the nature of the work being undertaken you may need to include a requirement for Cyber Insurance. Cyber insurance can help an organisation become operational again should something cyber-related happen. Minimising business disruption and providing financial protection during an incident, cyber insurance may help with any legal and regulatory actions after an incident. Again, A risk assessment must be undertaken by the service in order to justify the required level of insurance to the Director of Resources.

## Section 16: Risk Management

### WHY ARE THESE REGULATIONS IMPORTANT?

The Council faces numerous risks: to people (including its employees), to property, to its reputation and to continuity of service delivery. Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to successfully execute its strategies. This will include both external and internal risks. Risk Management is the process by which risks are identified, evaluated and controlled. Risk management seeks to protect the Council and enable us to achieve our stated aims and objectives. It also seeks to maximise the rewards that can be gained through effectively managing risk. It is the responsibility of the Accounts and Audit Committee to approve the Council's risk management policy and strategy and to promote a culture of risk management awareness throughout the organisation.

This Section should be read in conjunction with that relating to Insurance (see Section 15), which is just one tool used in the control of organisational risk.

- (1) The Accounts and Audit Committee shall approve and promote the authority's corporate risk management policy and strategy.
- (2) The Director of Resources shall:
  - (i) develop risk management processes and procedures to assist in the identification, assessment, reduction and control of material risks
  - (ii) undertake regular monitoring and review of the corporate and service arrangements for effective risk management.
- (3) Directors are responsible:
  - (i) for risk management within all areas under their control, having regard to appropriate advice from the Director of Resources.
  - (ii) for carrying out regular reviews of risk, risk reduction strategies and the operation of appropriate controls (including business continuity plans) within their departments.
- (4) Directors shall consult the Director of Resources and seek legal advice from the Head of Legal and Democratic Services on the terms of any indemnity that the authority is requested to give.
- (5) Directors shall promptly notify the Director of Resources of all new risks that are material, as they are identified.

## Section 17: Internal Audit

### WHY ARE THESE REGULATIONS IMPORTANT?

The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2015 more specifically require that a “relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.

Accordingly, internal audit provides one aspect of an independent and objective assurance in the review of the system of internal control as a contribution to the proper, economic, efficient and effective use of resources. In fulfilling this responsibility the internal audit service comply with best practice as set out in the Public Sector Internal Audit Standards and the associated CIPFA Local Government Application Note

- (1) The Director of Resources shall ensure that the internal audit service is independent in its planning and operation.
- (2) The Director of Resources or their authorised representative shall have authority to enter at all reasonable times any offices, premises or land under the control of the Council and shall have unrestricted access to all records, documents and correspondence relating to any matter under consideration, without limitation.
- (3) All staff shall provide such information and explanations as the Director of Resources considers necessary and shall produce upon demand cash, stores, documents or other property of the Council under their control.
- (4) Directors, Heads of Service and other staff shall immediately notify the internal audit service on behalf of the Director of Resources upon discovery or suspicion of any financial irregularity, whether affecting cash, stores, property, financial records or otherwise. The Director of Resources shall notify the Chief Executive in all significant cases.
- (5) The Council sets out in policy documents its approach to fraud and corruption and to “whistleblowing”.
- (6) The internal audit service has direct access to the Chief Executive, to all levels of management and to elected Members.

## Section 18: External Audit and Inspection

### WHY ARE THESE REGULATIONS IMPORTANT?

The basic duties of the external auditor are governed by statute. In fulfilling their responsibilities the external auditor works to a set code of audit practice.

The authority may from time to time also be subject to audit, inspection or investigation by various other external bodies. Government department inspectorates and bodies such as HM Revenue and Customs have statutory rights of access. Rights of access are also sometimes granted under contractual arrangements, including partnerships where the Council is not the lead body. It is important that all Officers of the Council respond to external scrutiny in a timely, professional and helpful manner.

- (1) The Director of Resources shall facilitate the coordination of the work of internal and external audit together with ensuring appropriate consideration of external audit reports by management and/or Members.
- (2) Co-ordination of all other inspection and independent review work shall be the responsibility of the relevant Director.
- (3) Directors shall give external auditors and inspectors access at all reasonable times to premises, personnel, documents and assets which they consider necessary for the purposes of their work.

# Section 19: Treasury Management and Leasing

## WHY ARE THESE REGULATIONS IMPORTANT?

Treasury Management is in place to provide assurance that the authority's money and overall cash flow are properly managed, in a way that balances risk with return but with overriding consideration being given to the security of investments.

The signing of leases and other forms of credit can have a wider financial impact than just the rental payments. It is therefore necessary that the Director of Resources be given the opportunity to evaluate the costs of any potential agreement before it is legally binding.

### (1) General

The Director of Resources is responsible for all investment, borrowing and leasing undertaken in the name of this authority.

### (2) Treasury Management

The Director of Resources shall:

(i) prepare annually a Treasury Management ~~Policy Statement~~ Policies and Practices document covering all aspects of treasury management for consideration by the Policy and Finance Committee and recommendation to Full Council

(ii) prepare annually a Capital and Treasury Management Strategy (which includes the Investment Strategy) setting out the Council's strategy for consideration and approval by the Policy and Finance Committee and recommendation to Full Council.

~~(iii) prepare annually an Investment Strategy for consideration and approval by the Policy and Finance Committee and recommendation to Full Council.~~

~~(iv) prepare annually a Capital Strategy for consideration and approval by the Policy and Finance Committee and Full Council.~~

~~(v)~~(iii) recommend to Full Council before the commencement of each financial year a range of Prudential Indicators, including borrowing limits, to be set for that financial year in accordance with statute and the CIPFA Prudential Code.

~~(vi)~~(iv) provide regular treasury management monitoring reports to Policy and Finance Committee

~~(vii)~~(v) \_\_\_\_\_ arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the authority's Treasury Management Policy Statement and its annual Strategy

~~(viii)~~(vi) \_\_\_\_\_ make all investments, borrowings and other financing transactions only in the name of the authority or in the name of nominees approved by Full Council.

(3) **Leasing and Similar Arrangements**

Leasing and other similar arrangements, including new or extended leases of land and property, may only be entered into with the written consent of the Director of Resources. Such arrangements may be defined for this purpose as any lease, contract hire or other contract or series of contracts under which the use of an asset is obtained in exchange for a series of payments which extend beyond the end of the following financial year.

(4) **Delegation**

The Director of Resources shall maintain in writing a list of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

# Section 20: Pay and Conditions of Employment

## WHY ARE THESE REGULATIONS IMPORTANT?

Staffing costs are the largest single item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are paid in accordance with the scheme adopted by Full Council.

Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax can be severe. It is therefore important for all Officers to be aware of their role.

### (1) General

Terms and conditions of employment are to be determined by the Council and the Personnel Committee. The Director of Resources is responsible for the administration of all arrangements for the payment of salaries, wages, pensions, and car loans to eligible employees, travel and subsistence claims and other emoluments to existing and former employees, and for all related matters.

### (2) Deductions from Pay

The Director of Resources shall make proper arrangements for all statutory and other deductions from pay, including tax, national insurance and pension contributions, and payment of such sums to the bodies concerned.

### (3) Terms of Employment

Directors, in consultation as necessary with the Head of Human Resources, shall promptly notify the Director of Resources of:

- (i) the terms and conditions applying to new contracts of employment
- (ii) any changes or events affecting the salaries, wages or emoluments of the Council's employees
- (iii) all resignations, retirements and terminations of employment.

(4) **Provision of Information**

Directors shall provide to the Director of Resources:

- (i) all relevant information, including notifications of sickness absence, in an agreed format and within agreed time scales to enable the prompt and accurate payment of all elements of pay
- (ii) notification of the impending departure of any employee involved with the custody of cash or stores.

(5) **Members' Allowances**

Payments to elected Members of the Council shall be made by the Director of Resources in accordance with the Council's approved scheme.

(6) **Delegation**

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

## Section 21: Reports to Members

### WHY ARE THESE REGULATIONS IMPORTANT?

New and changing policies of the Council result from consideration of reports, either from Members or Officers. Policies could therefore be set on the basis of insufficient or misleading information if both the financial and risk management implications have not been considered, and if commitments are made these could lead to financial difficulties for the Council.

- (1) Reports shall only be put before the Council, Committees, or Working Groups if a risk assessment on Resources, Technical, Environmental, Legal, Political, reputational, Equality and Diversity issues for the Council have been considered and presented fairly in the report. Informal advice to Members shall also have regard to any significant financial or legal implications.
- (2) Consultation shall take place as appropriate between the authors of reports, the Director of Resources and any other Directors affected, in good time for any financial, risk management and legal implications to be properly identified.
- (3) Where there are no financial risk management or legal implications or they are negligible, the report shall say so.

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### Examples of proposals with potential financial implications

*Broadly speaking any actual or proposed action or decision that affects the Council's finances in any way has a financial implication.*

*Listed below are examples of actions or decisions that are likely to have a financial implication. However this list is not exhaustive and it should be borne in mind that other areas of action or decision will undoubtedly have financial implications too.*

- *Anything that affects the current year's budget or capital programme, for example:*
  - *a new service*
  - *an improved service level*
  - *cessation of a service*
  - *a reduction in service level*
  - *a new capital project*

- *Anything that affects the budget or capital programme of future years, for example:*
  - *ongoing net cost of a new or improved service*
  - *ongoing net revenue cost of a new capital project*
  - *reduced ongoing effect of service cessation or reduction*
  - *reduced ongoing effect of the sale or disposal of a capital asset*
- *Anything that affects the Council's level of income, for example:*
  - *an increase or reduction in charges*
  - *introduction of a charge for a service currently provided free*
  - *free provision of a service currently provided at a charge*
- *Anything that affects the Council's ability to recover VAT, for example:*
  - *provision of a new exempt or partly exempt service*
  - *a new capital project or existing capital asset to be used for exempt or partly exempt purposes*
  - *transfer of a service or undertaking to another body*
- *Anything that affects the Council's entitlement to government grant, for example:*
  - *action which may result in an increase or reduction of grant entitlement*
- *Anything that enables the Council to attract outside funding from any source, for example:*
  - *a new partnership*
  - *a new third party funding arrangement*
  - *a new agency arrangement*
- *Anything that could potentially expose the Council to legal action, government surcharge or other financial penalty, for example:*
  - *an action which could be subject to legal challenge*
  - *an action which could lead to fines or penalties being imposed on the Council*
- *Any action that may result in the payment of redundancy or other staff severance costs, for example: -*
  - *cessation of a service leading to a surplus of staff*
  - *reduction in a service level leading to a surplus of staff*
  - *externalisation of a service (including where TUPE applies)*

- *Any action that would affect the market value of a Council asset, for example:*
  - *a reduction in the maintenance level of an asset leading to a lower asset value*
  
- *Any action likely to increase the Council's insurance costs, for example:*
  - *the use of a Council asset for what is perceived to be a higher risk purpose*
  - *a worsening claims record*

# Glossary

## Asset Register

A detailed listing of land, buildings, vehicles and major items of plant and equipment (assets). Asset registers are important because they enable an effective assessment of the management of assets to be made through a comprehensive record of attributes. They are also a useful basis for arranging appropriate insurance cover and substantiating insurance claims in the event of fire, theft or other loss.

## Budget

A statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and the capital programme and any authorised amendments to them. It does not however include the forward financial forecast, which is for financial planning purposes only.

## Budget Book

The publication in which the Council sets out its budget for a particular financial year.

## Budgetary Control

The continual review of expenditure and income, both revenue and capital, against planned levels of expenditure and income to help ensure that service objectives are achieved and the overall resources of the Council are not over or underspent. This process is aided by the use of budget profiles.

## Budget Provision

The amount approved by the Council for a particular budget head.

## Capital Contributions

Sums contributed by external persons and bodies towards the cost of capital schemes to be carried out by the Council. These can derive from planning agreements with developers in the form of S106 agreements but also include sums recovered from or contributed by third parties.

## Capital Expenditure

This generally relates to expenditure on the acquisition or enhancement of fixed assets which will be of use or benefit to the authority in providing its services for more than one year. It also includes grants to other persons and bodies for spending by them on similar purposes.

## Capital Programme

The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also provides estimates of the capital resources available to finance the programme and a statement of any under- or over-programming.

### **Capital Receipts**

The proceeds from the disposal of land and other assets which are available to finance new capital expenditure. Statute prevents capital receipts being used to finance revenue expenditure.

### **Capital Resources**

The resources earmarked either by statute or by the Council to meet the cost of capital expenditure instead of charging the cost directly to revenue. The definition covers borrowing, capital receipts, and grants and contributions from external persons and bodies given for capital purposes. The Council may also contribute revenue resources to the financing of capital expenditure, and for as long as these are included in the capital programme, they are regarded similarly as capital resources.

### **Capital and Treasury Management Strategy**

The capital and treasury management strategy sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. It also sets out the treasury management activities to be adopted for a particular financial year as approved by the Policy and Finance Committee and Full Council within the parameters set by the Treasury Management Policies and Practices document. The strategy needs to be flexible enough to allow the Director of Resources to respond appropriately to changing circumstances during the course of the year to the best advantage of the Council.

### **CIPFA**

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the leading professional body for accountants employed in the public sector. It issues Codes of Practice and other guidance as appropriate on matters which are addressed by these Regulations.

### **Codes of Conduct**

The protocols within which Members and Officers will work as set out in parts of the Constitution.

### **Codes of Practice**

Guidance issued normally by professional bodies in relation to standards which are not regulated by statute. For example, CIPFA have issued Codes of Practice giving detailed guidance on accounting standards and treasury management.

### **Collection Fund**

The fund into which Council Tax and Business Rates are paid and out of which the precepts of Lancashire County Council, Police and Crime Commissioner for Lancashire, Lancashire Combined Fire Authority, and Ribble Valley Borough and Parish Councils are met. Any surplus or deficit is shared between the various authorities, other than Parish Councils, on the basis of precepted amounts.

### **Computer Systems**

Commercially available software which might be acquired for use on Council computers, whether mainframe, local PC or networks. For the purposes of these Regulations, the definition is not intended to cover applications to which such systems might be put.

### **Contingency Provisions**

Money set aside in the budget to meet the cost of unforeseen items of expenditure or shortfalls in income and to provide for changes in inflation and interest rates compared with the assumptions on which the rest of the budget was set.

### **Contract Procedure Rules**

The Council's rules relating to the procurement of works, supplies and services as set out in the Constitution. These are supported by Section 7 of these Regulations.

### **Corporate Governance**

The system by which local authorities direct and control their functions and relate to their communities.

### **Corporate Strategy**

A statement made by a local authority setting out its long-term aims for the community it serves, the organisational aims of the Council and the main values which underpin its work for the community.

### **Council Tax**

A local tax based on the capital value of residential properties. The level set by an authority for a particular year will be broadly determined by its expenditure on General Fund services less other income, use of Council reserves and government grant.

### **Council Tax Base**

A figure calculated annually to represent the number of dwellings over which the Council Tax for the following financial year may be collected. All dwellings within the District are valued by the Valuation Office Agency and classified into one of eight bands (A to H), each of which is expressed as a proportion of Band D. The Council Tax base is the number of dwellings expressed in terms of a Band D average, after making allowance for discounts, premiums and exemptions. An adjustment is made for the estimated collection rate. When the Council sets the level of Council Tax for that year, it is expressed as an amount due from Band D properties.

### **Creditors**

A person or body to whom the Council owes money.

### **Debtor**

A person or body who owes the Council money. The debt may derive from a number of sources such as Council Tax, Business Rates, sundry debtors or where an account has been rendered for a service provided by the Council.

### **Earmarked Reserves**

See "Reserves"

### **Estimates**

The amounts which are expected to be spent, or received as income, during an accounting period. The term is also used to describe detailed budgets which are being prepared for the following financial year or have been approved for the current year. The “original estimate” for a financial year is that approved as part of the budget prior to the start of that year and the “revised estimate” is an updated revision for that year.

### **External Audit**

An independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

### **Fees and Charges**

Charges made to the public for Council services and facilities.

### **Financial Regulations**

That part of the Council’s Constitution which provides an approved framework for the proper financial management of the authority.

### **Financial Year**

The period of twelve months commencing on 1 April.

### **Forward Financial Forecast**

The estimated revenue budget for the two financial years immediately following the budget year, or the totals of such estimates. The forecast conveys no authority to spend, and is made for financial planning purposes only.

### **General Fund**

The revenue fund of the Council covering day-to-day expenditure and income on services. The net cost on this account is met by Council Tax.

### **Internal Audit**

An independent appraisal function for review of the internal control system of an organisation. It objectively examines, evaluates and reports on the adequacy of internal controls as a contribution to the proper, economic, efficient and effective use of resources.

### **Inventory**

A detailed listing of all goods, materials, furniture and equipment in the ownership or use of a particular service, other than those held in stocks and stores records. Inventories are normally maintained in sufficient detail as to description, location, age, value etc. to enable any material loss arising from a fire, theft or other event to be identified and to support any insurance claim.

### **Investment Strategy**

A statement of policies for determining the type, value and length of investments that the Council will use to place its surplus funds and also for determining appropriate third parties with whom these investments will be placed.

### **Leasing**

A method of acquiring the use of capital assets which is similar to renting. Normally this kind of arrangement is only suitable for vehicles, plant and equipment. Ownership of the asset remains with the leasing company and the annual rental is charged directly to the Council's revenue accounts.

### **Members' Allowances**

A scheme of payments to elected Members of the Council in recognition of the duties and responsibilities assumed by them.

### **Precept**

The amount that Councils and certain other public authorities providing services within Ribble Valley require to be paid from the Collection Fund to meet the cost of their services.

### **Prudential Indicators**

The Prudential Indicators are designed to support and record local decision making regarding capital investment. The CIPFA 'Prudential Code for Capital Finance in Local Authorities' requires each local authority to agree and monitor mandatory prudential indicators.

### **Reserves**

A Council's accumulated surplus income in excess of expenditure. Reserves are available at the discretion of the Council to meet items of expenditure in future years, and may be earmarked or held for general purposes. An example of an earmarked reserve is the Capital Reserve Fund.

### **Revenue**

A term used to describe the day-to-day costs of running Council services and income deriving from those services. However, it also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

### **Risk**

Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted action, event or occurrence.

### **Risk Management**

Risk management is the adoption of a planned and systematic approach to the identification, evaluation and management of risk.

### **Risk Management Policy and Strategy**

This is approved by the Accounts and Audit Committee endorsing the commitment of the Council to effective risk management and sets out the responsibility of Members, Directors and all staff for the identification, control and reduction of risk and the containment of loss in all aspects of their activities.

### **Statement of Accounts**

The Council's annual report on its financial position for the year ending 31 March. The report is required to be in a prescribed format and is subject to independent review.

### **Supplementary Estimate**

The approval of an increase in the level of a particular budget head, or the establishment of a new budget head, under the procedure laid down in Section 6 of these Regulations. Where an existing budget head is involved, a supplementary estimate would not normally be approved where an appropriate virement was available. Supplementary estimates may only be sanctioned by Members.

### **Treasury Management**

The management of the authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks. It includes the setting of and monitoring compliance with the Prudential Indicators.

### **Treasury Management Policies and Practices**

A statement approved by the Full Council setting out the parameters within which treasury activities are to be managed.

### **Virement**

The transfer of budget provision from one budget head to another, under the procedure laid down in Section 6 of these Regulations. Virement decisions apply to revenue expenditure heads, and may on occasions be between expenditure and income, and may include transfers from contingency provisions. However, Virements may not be approved between capital and revenue budget heads. Virements may be approved by Service Directors and the Director of Resources up to an amount specified in the Regulations, after which approval is required by Members.

### **Write Off**

The action taken to charge to the Council the amount due from some external party which has been found to be irrecoverable from that party. Whilst the sum remains due to the Council in law, it will no longer be shown as outstanding in the Council's accounts.



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# **CORPORATE DEBT WRITE OFF POLICY**

March 2023



# POLICY ADMINISTRATION

## POLICY OWNERSHIP

For any queries about this policy, please contact the plan owner.

<b>Department</b>	Resources		
<b>Owner</b>	Lawson Oddie	lawson.oddie@ribblevalley.gov.uk	01200 414541
<b>Committee</b>	Policy and Finance Committee		

This policy is maintained and published on behalf of Ribble Valley Borough Council. A copy of this policy will be published on the Council Intranet and will be reviewed and updated as stated below.

## VERSION CONTROL AND REVIEW DATE

Version	Date	Reason for Publication	Approved by Committee / Date	Next Review Date
V1	27 September 2022	Annual Review	Policy and Finance Committee – 27 September 2022	September 2023
V2	28 March 2023	Review for Impact of Changes to Financial Regulations		March 2023

This policy will be reviewed, as a minimum, on an annual basis. However, consideration should be given to reviewing the policy should there be any changes in legislation or guidance. The policy/procedure owner will ensure the document is reviewed as stated.

## EQUALITY IMPLICATIONS

	Action	Yes / No
An Equality Impact Assessment (EIA) has been completed		No – Not Required having completed EIA Checklist
EIA Hyperlink	Not Applicable	

## SUPPORTING DOCUMENTS OR LEGISLATION RELATING TO THIS POLICY

Please include any supporting documents / legislation
1.
2.
3.
4.
5.



## 1. Debt Recovery Aim

- 1.1. Ribble Valley Borough Council's policy is to recover 100% of recoverable debt in compliance with the law. However, while making all reasonable efforts to maximise the Council's recovery it is sometimes necessary to write off debt.
- 1.2. The council endeavours to ensure that the interests of the general taxpayer are maintained whilst recognising the needs and circumstances of individual debtors.
- 1.3. The council's corporate debt policy and financial regulations should also be considered alongside this corporate write off policy.

## 2. General Provisions

- 2.1. Where there is an ongoing liability for a charge due to the provision of a service or there is an ongoing liability for tax or rates, write off of any arrears would not be appropriate.
- 2.2. Liaison with services and good reporting mechanisms should be in place in order to ensure that any service provision is stopped where recovery of the debt is not possible and any arrears are being considered for write off. It must be noted that a service cannot be withdrawn where the council has a statutory responsibility to continue to provide it.
- 2.3. Following the write off of a debt, should any information become available that could lead to the recovery of the debt, then the debt can be resurrected and the write off reversed subject to part or all of the balance being paid.
- 2.4. Where an individual debtor owes the council in excess of ~~£1,000~~£5,000, such debt may be written off only following approval of the Policy and Finance Committee.
- 2.5. Where an individual debtor owes the Council no more than ~~£1,000~~£5,000, the Director of Resources may approve the write off of that debt where there is satisfactory evidence that it is irrecoverable.
- 2.6. The table shown below provides a summary of the action and authorisation required for the different levels of debt.

Category	Action	Authorisation Required
Debts under £15.00 deemed uneconomical to pursue	Monthly system (or manual) report to be prepared with details of amounts proposed to be written off below £15.00 and passed to the Director of Resources.	Reports to be signed off by the Director of Resources
Debts over £15.00 but less than <del>£1,000</del> £5,000	Form at Annex 1 to be completed and passed to the Director of Resources with supporting documentation.	Form to be signed off by the Director of Resources
Debts over <del>£1,000</del> £5,000	A report to be prepared for Policy and Finance Committee providing details of the debtor and the debt to be written off, with reasons for the recommended action.	Policy and Finance Committee

### 3. Debt Write Off

3.1. The following outlines the general conditions and circumstances when a debt may be considered for write off. These are not specific to any particular type of debt and are designed to cover the vast majority of debt considered for write off. This list is not exhaustive and there may be instances where it is appropriate to write off debt for a reason other than those stated.

- **Uneconomical to recover:** The cost of recovery is likely to outweigh or equate to a significant proportion of the balance outstanding.
- **Untraceable debtor:** If a debtor can not be found after making all efforts to trace them, the debt and any administration penalty will be temporarily written off. These debts will be written back on again if the debtor is retraced.
- **Uncollectable as recovery options exhausted:** on a few occasions all types of recovery have been attempted and there is no further action that can be taken
- **Bankruptcy/Insolvency:** If a debtor is declared bankrupt/insolvent and it is not possible to recover any monies from the debtor's assets.
- **Deceased:** If the debtor has died and there is either no estate or no available funds from the estate.
- **Time limited debt:** If after the end of six years from the date the debt became due it has not been possible to commence or continue recovery in that period
- **Unrecoverable debt:** Where a debt has been raised and subsequently the charge has been found to be due to 'official error'.

### 4. Policy Review

- 4.1. The write off of debt will be subject to regular audit in order to ensure that the policy and associated procedures have been applied properly and fairly.
- 4.2. The Director of Resources shall ensure that this policy is reviewed on an annual basis to ensure its effectiveness and also relevance in the case of any legislative changes.

### 5. Complaints and Appeals

- 5.1. Where a debtor wishes to complain about any decision made under the terms of this policy they may do so first in writing to the relevant Head of Service.
- 5.2. In the event that a debtor's complaint is not resolved by the relevant Head of Service the issue may be escalated to the Director of Resources, following which the debtor would be required to follow the council's Official Complaints Procedure.



**Ribble Valley Borough Council**  
**Request for Debt Write Off**

<b>Debtor Name</b>	
<b>Reference</b>	
<b>Debt Address</b>	
<b>Current Address (if known)</b>	

Details of Debt	
Description	Amount

Reason for write off

Recovery Action Taken to Date <i>Please attach copies of all relevant documentation</i>

Recommended by \_\_\_\_\_ Date \_\_\_\_\_

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

Director of Resources \_\_\_\_\_ Date \_\_\_\_\_



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# Contract Procedure Rules



## POLICY ADMINISTRATION POLICY OWNERSHIP

For any queries about this policy, please contact the plan owner.

<b>Department</b>	Resources		
<b>Owner</b>	Lawson Oddie	<a href="mailto:lawson.oddie@ribblevalley.gov.uk">lawson.oddie@ribblevalley.gov.uk</a>	01200 414541
<b>Committee</b>	Policy and Finance Committee		

This policy is maintained and published on behalf of Ribble Valley Borough Council. A copy of this policy will be published on the Council Intranet and will be reviewed and updated as stated below.

### VERSION CONTROL AND REVIEW DATE

Version	Date	Reason for Publication	Approved by Committee / Date	Next Review Date
V1	14 June 2021	Annual Review of Contract Procedure Rules	Policy and Finance Committee – 22 June 2021	March 2022
V2	18 March 2022	Annual Review of Contract Procedure Rules	Policy and Finance Committee – 29 March 2022	March 2023
V3	16 March 2023	Annual Review of Contract Procedure Rules		March 2024

This policy will be reviewed, as a minimum, on an annual basis. However, consideration should be given to reviewing the policy should there be any changes in legislation or guidance. The policy/procedure owner will ensure the document is reviewed as stated.

### EQUALITY IMPLICATIONS

	Action	Yes / No
An Equality Impact Assessment (EIA) has been completed		No – Not Required having completed EIA Checklist
EIA Hyperlink	Not Applicable	

### SUPPORTING DOCUMENTS OR LEGISLATION RELATING TO THIS POLICY

Please include any supporting documents / legislation
1. Public Contracts Regulations 2015
2. Concessions Contracts Regulations 2016
3. Public Procurement (Amendment etc.) (EU Exit) Regulations 2020
4. Local Government Act 1972



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# CPR1: Interpretation

- 1.1 These Contract Procedure Rules are standing orders of the Council (made pursuant to Section 135 of the Local Government Act 1972) with respect to the making of Contracts.
- 1.2 In these Rules, each of the expressions in the left-hand column below shall have the meaning stated against that expression in the right-hand column.

<b>Responsible Officer</b>	any permanent or temporary staff member who is properly authorised to carry out any of the Council's contracts functions. Such persons must keep their relevant Director fully informed of any proposed actions under these Contract Procedure Rules.
<b>Director</b>	is the Chief Executive or a Director
<b>Heads of Service</b>	Includes, for the purposes of these Contract Procedures Rules, all Heads of Service (or, in the absence of the Head of Service, their nominated representative). Such persons must keep their relevant Director fully informed of any proposed actions under these Contract Procedure Rules.
<b>Committee</b>	means a Committee or Sub-Committee of the Council.
<b>Contract</b>	is any agreement between the Council and one or more Providers for the supply of goods or materials for or on behalf of the Council, for the execution of works for or on behalf of the Council, or for the provision of services to the Council or to others on its behalf (including but not limited to the provision of services, wholly or partly, in return for a concession).
<b>CPR</b>	Contract Procedure Rule.

<b>Public Contracts Regulations Contract</b>	is a Contract covered by the Public Contracts Regulations 2015.
<b>Provider</b>	is any contractor supplying or offering to supply goods, works, or services (including concessions) to the Council and includes any individual, firm, agent, company, partnership, public authority or other organisation.
<b>Section 151 Officer</b>	is the officer with responsibility for the proper administration of the financial affairs of the Council in accordance with Section 151 of the Local Government Act 1972 (Director of Resources) or their Deputy.

1.3 References to monetary values in these Contract Procedure Rules **exclude VAT**. The values quoted relate to the total value of a contract **over the full anticipated lifetime of supply**.

1.4 Where reference is made in these Contract Procedure Rules to the Director of Resources, in the absence of that Officer, the Head of Financial Services is the authorised substitute. Likewise, in the absence of the Head of Legal and Democratic Services the Council's Solicitor will be the authorised substitute.

#### **Brexit Impact**

~~1.5 Many of the laws and practices within this document, such as the UK procurement regime, derive from EU laws, and are therefore impacted by Brexit.~~

~~4.61.5~~ The UK is bound by the Public Contracts Regulations 2015 and Concessions Contracts Regulations 2016. These have been amended through the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020.

~~4.71.6~~ **If at any time these rules differ from the law in force then the law must be followed as it will override any conflicting provision in these rules.**

~~4.81.7~~ **These Contract Procedure Rules will be kept under review and updated accordingly.**

## CPR2: Scope and Application

- 2.1 These Procedure Rules shall apply to any Contract, with the exceptions listed in CPR 2.2, and also to the nomination of sub-contracts under any such Contract (whether in each case the Council is contracting or nominating on its own behalf or wholly or partly on behalf of others).
- 2.2 These Procedure Rules do not apply to transactions of the following types:
- a) Purchases or sales by auction or at public fairs or markets;
  - b) Contracts for the sale or purchase of land;
  - c) Contracts for the engagement of Counsel, or for the engagement of external Solicitors to represent the Council in specified legal proceedings;
  - d) Contracts with statutory undertaking(s) for work which only they can carry out;
  - e) Contracts of employment;
  - f) Orders placed with such consortia or framework agreements as may be approved by the Director of Resources provided that the council is satisfied that the purchasing arrangements of the consortia or framework agreement in question comply with UK legislation and provide value for money;
  - g) Contracts formalising the funding of particular voluntary sector bodies where the purpose of the contract is to establish the general conditions whereby the body may be funded by the Council.
- 2.3 All employees of the Council and firms/advisors employed to act in any capacity to manage or supervise a Contract must comply with these Procedure Rules and with the Council's Financial Regulations and Directors and each Head of Service must ensure such compliance in the contracting area for which they are responsible. The relevant Director must be kept informed by the Head of Service or Other Responsible Officer at all times of any proposed actions under these Contract Procedure Rules.

## CPR3: Responsibilities and Officers' Duties

### 3.1 Responsible Officers shall always:

- (a) seek value for money;
- (b) show no favour or disfavour to any Provider nor discriminate against Providers from other EC states;
- (c) conduct tendering and price testing in accordance with proper practices and the highest standards of propriety;
- (d) do nothing that contravenes EC or domestic law;
- (e) ensure that adequate Contract files are kept and retained for all Contracts upon which they are engaged, ensuring a copy is also passed to the Procurement Assistant for inclusion on the council's Contracts Register; and
- (f) consider any implications under the Transfer of Undertaking (Protection of employment) (TUPE) and obtain advice from the Head of Legal and Democratic Services before proceeding with the production of any Invitation to Tender documentation.

## CPR4: Compliance with Contract Procedure Rules and Legislation

- 4.1 Every Contract made by the Council or on its behalf shall comply with domestic legislation, these Contract Procedure Rules and the Council's Financial Regulations subject to the following provision.
- 4.2 **Arrangements made to meet the requirements of any present or future domestic legislation shall take precedence over any provision of these Contract Procedure Rules.**

## CPR5: Exemptions from Contract Procedure Rules

- 5.1 Exemptions from the requirements of these Contract Procedure Rules **are to be the exception and not the rule**. They must not be granted as a matter of administrative convenience and must be supported by documented and evidenced reasons as to the legitimate need for the exemption to be granted.
- 5.2 When an exemption is sought from tendering or the requirement to obtain written quotations, the relevant Director or Head of Service will need to justify the use of an alternative method of selection so that propriety, value for money and **compliance with domestic legislation** can be demonstrated. It will also include reasons such as:
- (a) that only one Provider is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive or proprietary rights;
  - (b) that time limits required for tendering cannot be met for reasons of extreme urgency and which (in Public Contracts Regulations cases) were unforeseen and unattributable to the Council;
  - (c) that additional goods, works or services are required which, **through unforeseen circumstances**, were not included in the original contract and which are either strictly necessary for the completion of the Contract or, for technical or economic reasons, cannot be carried out separately without great inconvenience/additional costs;
  - (d) that goods are required as a partial replacement for or in addition to existing goods or installations and obtaining them from another Provider would result in incompatibility or disproportionate technical difficulties in operation or maintenance.
  - (e) That despite seeking the relevant number of quotations, insufficient quotations have been obtained (see 6.5 below)
- 5.3 The Director or Head of Service must ~~keep produce~~ a written record justifying the request for any exemption(s) such as those included under paragraph (a) to (e) above. ~~They must then and write a decision report to the relevant service committee asking for prior approval for the exemption. If approval is given by the service committee then the procurement can continue. All evidence supporting the exemption and a record of the exemption approval must be retained, and a copy included with relevant invoices when sent for payment.~~ seek the prior agreement of the relevant service committee.
- 5.4 Should it not be possible to first seek approval from the service committee **due to the urgency of the matter**, then the prior agreement of both the Head of Legal and Democratic Services and the Director of Resources ~~should~~ must be sought. The Director or Head of Service must then report to the next possible meeting of the relevant Service Committee details of the granting of such exemptions and the reasons. Again, evidence supporting the exemption and a record of the exemption approval must be retained, and a copy included with relevant invoices when sent for payment.

- 5.5 Exemption (on grounds other than 5.2 (a) to e)) from any of the following provisions of these Procedure Rules **may be made only by the direction of the relevant Service Committee** where such Service Committee is satisfied that the exemption is justified in special circumstances.
- 5.6 No exemption may be granted:
- (a) which would result in a breach of UK law;
  - (b) from CPR 18 unless on grounds of extreme urgency (e.g. during civil emergency) (Acceptance of Tenders); from CPR 20 (Form of Contract); or from CPR 21 (Execution of Contracts).

# CPR6: Requirements to Obtain Quotations or Tenders

## Contracts not requiring tendering

6.1 The following contracts need not be tendered.

- (a) Contracts valued at ~~£100,000~~~~50,000~~ or less (unless required by Public Contracts Regulations). It must be ensured that the contract value used in assessing this is the total value of a contract **over the full anticipated lifetime of supply**.

PROVIDED that such contracts are effected in compliance with the Council's Financial Regulations and all appropriate internal controls.

## Contracts valued at ~~£100,000~~~~50,000~~ or less

6.2 An official order shall be placed immediately using the Council's approved Purchase Ordering System.

6.3 A Contract made under CPR 6.2 where the estimated value is:

- (i) ~~£10,000~~~~5,000~~ or less may be made without written competitive quotations as long as the Contract is not part of a larger Contract. However, it must still be ensured that the best price is secured and value for money is maintained, and as such it may be desirable to obtain quotes in order to gain that assurance.
- (ii) over ~~£10,000~~~~5,000~~ but not exceeding ~~£100,000~~~~20,000~~ may be made after obtaining **at least** ~~two~~~~three~~ written quotations. It is advised that a greater number of quotes may need to be sought in order to ensure that three as a minimum are returned;
- (iii) ~~over £20,000 but not exceeding £50,000 may be made after obtaining at least four written quotations;~~

6.4 All invitations to quote must cover (but not exclusively) the following matters to ensure that the person(s) providing the quote are fully aware of their requirements should they be awarded the work, service or supply

- a) Detailed specification of works or goods required, including expected timelines
- b) Details of how the different quotes received will be compared (ie price only, or together with qualitative considerations)
- c) Reference and link to the Council's Standard Terms and Conditions of Purchase
- d) Insurance Cover Requirements As a guide, **the minimum levels of insurance that should be sought** are as shown below. However

consideration should be given to the level of risk in respect of the contract (so whether a higher level of cover may need to be requested) and also other additional types of insurance that may need to be requested based on the nature of the contract (i.e. Product Liability Insurance or Cyber Insurance):

<u>Type of Insurance</u>	<u>Level of Cover</u>
<u>Public Liability Insurance</u>	<u>£5 million</u>
<u>Employers Liability (legal requirement)</u>	<u>£5 million</u>
<u>Professional Indemnity Insurance (where required due to nature of the work):</u>	<u>£2 million</u>

6.46.5 Under no circumstances should Contracts be broken down in size so as to have the effect of lowering the Contract value or to avoid the requirements for tendering or the need for written quotations. It must be ensured that the contract value used in assessing the above bandings is the total value of a contract **over the full anticipated lifetime of supply.**

~~6.5~~ ~~Where the relevant number of quotations has been sought, but fewer quotations have been obtained, the Director or Head of Service may seek an exemption from the requirement to obtain the number of quotations specified above with the prior agreement of the relevant service committee. Should it not be possible to first seek approval from the service committee due to the urgency of the matter, then the prior agreement of both the Head of Legal and Democratic Services and the Director of Resources should be sought. The Director or Head of Service must then report to the next possible meeting of the relevant Service Committee details of the granting of such exemptions and the reasons.(see CPR5 5.3).~~

6.6 In all cases, except where it is impracticable for reasons of extreme urgency, confirmation of the Provider's terms of business (usually a written quotation) shall be obtained before an order is placed. The placing of an official order on the Council's approved Purchase Ordering System will also ensure the application of the council's own Terms and Conditions to the order.

6.7 The Responsible Officer shall keep a written record of the Providers approached, their responses, details of any quotations provided, the subject matter of the quotation, the name of the Provider, the time and date of the quotation and details of the price offered and any other trading terms.

**Contracts valued at more than £100,00050,000**

6.8 All Contracts with an estimated value over £100,00050,000 shall be subject to competitive tender in accordance with CPR 12, unless ~~exempted in accordance with an exemption is approved under~~ CPR 5 or ~~unless the contract is~~ awarded by way of an extension to an initial Contract for works in accordance with CPR 12.1(b).

## **CPR7: Award of Contracts without Tendering – Contracts less than ~~£100,000~~£50,000 or greater than ~~£100,000~~£50,000 with Approved Exemptions**

- 7.1 No Contract may be awarded unless the expenditure involved has been included in approved revenue or capital estimates. The Responsible Officer shall ensure that evidence of authority to spend, and the budget code to be used, is recorded on the Contract file.
- 7.2 Contracts with a quoted value of ~~£100,000~~£50,000 or less may be awarded on behalf of the Council by the relevant Director to the Provider who offers the lowest price or in exceptional circumstances whose offer is considered by the Director, in consultation with the Director of Resources, to be the most economically advantageous to the Council, provided in both cases the price quoted is within the budgetary limits approved by the Council or by Policy and Finance Committee as a supplementary estimate.
- 7.3 Contracts with a quoted value in excess of ~~£100,000~~£50,000 (where an exemption from Tendering has been granted) may be awarded on behalf of the Council by the relevant Director in consultation with the Chairman of the relevant Service Committee to the Provider who offers the lowest price or in exceptional circumstances whose offer is considered by the Director, in consultation with the Director of Resources, to be the most economically advantageous to the Council provided in both cases the price quoted is within the budgetary limits approved by the Council or by Policy and Finance Committee as a supplementary estimate.
- 7.4 No contract with a quoted value in excess of ~~£100,000~~£50,000 (where an exemption from Tendering has been granted) shall be awarded until the Director of Resources has checked the Provider's financial standing and provided written confirmation that this is satisfactory for the Contract to be undertaken.
- 7.5 Details of all Contract awards shall be forwarded to the Procurement Assistant for inclusion on the Council's Contracts Register as soon as possible after the award and prior to works commencing. Such notification must also include evidence of the authority to enter into the Contract.

## CPR8: Interests of Officers in Contract Matters

8.1 Directors, Responsible Officers and any other person (whether or not in the employment of the Council) assisting either of them in connection with any part of the procurement process shall comply with all requirements applicable from time to time of the law and of the Council's Code of Conduct for Employees as regards:

- (a) the declaration of interests (either generally or in relation to a particular procurement matter), and;
- (b) refraining from participation in some or all stages of particular procurement matters.

NB: At the time of adoption of these Rules, the Current provisions are:

- Section 117(1) of the Local Government Act 1972;
- The Council's Code of Conduct for Employees.

## CPR9: Approved Lists

- 9.1 This Rule shall apply where, in the opinion of the relevant Director or Head of Service and subject to the approval of Policy and Finance Committee, it is considered appropriate to maintain a list of approved Providers for specific categories of work of a value not exceeding ~~£100,000~~£50,000 over the full anticipated lifetime of supply. The use of online services for shortlisted or approved suppliers is included under this Contract Procedure Rule.
- 9.2 There shall be compiled and maintained lists of Providers in respect of Council contracts. Such lists shall contain the names of all Providers who wish to be included in them and who are approved by the relevant Committee according to written criteria.
- 9.3 With the exception of online services for shortlisted or approved suppliers, the relevant Head of Service shall maintain the approved lists and shall ensure they are reviewed at intervals not exceeding three years.
- 9.4 At least every three years a public notice shall be given in one or more local newspapers and such trade journals as are considered desirable inviting Providers to apply to have their names placed on the approved lists.
- 9.5 The approved list shall indicate for each included Provider the categories of Contract and the value or amounts in respect of those categories for which approval has been given.
- 9.6 The use of Providers on any approved list shall follow the same requirements as those listed under CPR6 with regard to number of quotes to be requested.

## CPR10: Estimates of Contract Value

- 10.1 Before inviting tenders or quotations for the execution of any work or for the provision of any goods or services the relevant Head of Service shall keep a written record of the estimate in writing of the likely expense of executing the work, or the provision of goods or services in a suitable manner.
- 10.2 For the purpose of these Contract Procedure Rules, the value of a contract is the expected amount of consideration (in money or money's worth) that will be received by the person or organisation that carries out the works or provides the services or supplies, **over the full anticipated lifetime of supply**.
- 10.3 Where some, or all of the contract price is funded by a third party, it must be the gross value of the goods or services that is used in any assessment of contract value.
- 10.4 Estimates of value and methods of valuation must be genuine and not designed to avoid exceeding any threshold contained in these Contract Procedure Rules.
- 10.5 No tender can be accepted where its value is in excess of the Public Contracts Regulations threshold. Therefore any Head of Service that estimates a contract value that is **near** to such thresholds **must** undertake a Public Contracts Regulations compliant tender exercise.

## CPR 11: Pre-Tender/Quotation Enquiries

11.1 Enquiries of Providers may be made before tenders or quotations are invited in order to:

- (a) establish whether the goods, works or services the Council wishes to purchase are available, within what price range and whether they would be the best option for the required outcome;
- (b) better inform the preparation of tender documents, price estimates, specifications and contract documents;
- (c) establish whether particular Providers wish to be invited to tender or quote.

11.2 In making enquiries:

- (a) no information will be disclosed to one Provider which is not then disclosed to all those of which enquiries are made or which are subsequently invited to tender or quote:
- (b) no Provider will be led to believe that the information they offer will necessarily lead to them being invited to tender or quote or be awarded the Contract.

## CPR12: Competitive Tendering – Contracts over ~~£100,000~~50,000 (or optionally below ~~£100,000~~50,000)

12.1 Subject to 13.3 below, no Contract, the estimated value of which exceeds ~~£100,000~~50,000 (or below ~~£100,000~~50,000 if formal tendering is chosen to be undertaken), shall be made unless:

- (a) at least 21 days' public notice has been given, stating the nature and purpose of the Contract, inviting tenders, providing web links to electronic versions of all contract documents and stating the last date when tenders will be received, on:
  - the council's website and optionally a local newspaper and such trade journals as the relevant Head of Service shall consider desirable; and
  - the Government's webpage 'Contracts Finder'. In the case of those contracts with an estimated value in excess of the Public Contracts Regulations threshold, the opportunity must also be published on the Government's 'Find a Tender' webpage.
- (b) the proposed Contract, being a Contract for the execution of works, forms part of a serial programme of works, the terms of which having been previously settled with the Contractor on the basis of the application of a stated addition or deduction to the rates and prices contained in an initial Contract. Such a contract must have previously been awarded competitively following an invitation to tender in accordance with the provisions of (a) above. Such additions or deductions to the rates and prices are subject to a maximum extension under this Rule not exceeding 100% of the original Contract value or ~~£100,000~~50,000, whichever is the lower. Due consideration must be given to the potential of breaching any Public Contracts Regulations thresholds.

## CPR13: Tender Invitation

- 13.1 When tenders are invited following public advertisement and hard copy Contract documents are requested, these **must** be sent within five working days of the request being made, provided any specified fee, where applicable, has been paid.
- 13.2 Documents for **all** tender opportunities **must** be made available on the Council's website under the procurement webpages. This will include as a minimum the Invitation to Tender (ITT) document and any separate tender specification.
- 13.3 When tenders are invited for a Public Contracts Regulations Contract, the timescale given to providers to return tenders will be in accordance with the timescales as determined by the Public Contracts Regulations. Appendix 1 sets out the current timescales.
- 13.4 Reasonable requests for further information relating to the Contract documents will be granted provided the request enables the Council to supply the information not less than six days (or four days in cases of emergency) before the date specified for receipt of completed tenders. Any responses given must be circulated to all known potential Providers and also published alongside the Contract documents on the council website.
- 13.5 Where a potential Provider considers that an enquiry or response will relate to commercially confidential information relevant only to itself and that it should not be circulated to other Participants, it must specify so together with reasons.
- 13.6 If the relevant Head of Service, together with the Head of Legal and Democratic Services and Head of Financial Services consider that, in the interests of a fair and open competition, it cannot respond to an enquiry on a confidential basis, the relevant Head of Service will notify the potential Provider and treat the enquiry as withdrawn. It will then be for the potential Provider to resubmit the enquiry without the requirement for confidentiality if it requires an answer.
- 13.7 If the relevant Head of Service, together with the Head of Legal and Democratic Services and Head of Financial Services consider that the request for a confidential response is justified, then the relevant Head of Service will provide a response which is not circulated to other potential Providers.
- 13.8 Every invitation to tender will state that a tender will only be considered if it is:
  - (a) addressed to Ribble Valley Borough Council, marked for the attention of the Head of Legal and Democratic Services, Council Offices, Church Walk, Clitheroe BB7 2RA in a plain sealed envelope or package which shall bear the word "**TENDER**" followed by the subject to which it relates, **but shall not bear any name or mark indicating the sender**;

- (b) accompanied by an undertaking which shall become a condition of the Contract that the amount of the tender has not been calculated by agreement or arrangement with any person other than the Council and that the amount of the tender has not been communicated to any person other than the Council (by way of submission of tender documentation) and will not be communicated to any person until after the closing date for the submission of tenders (except for the purposes of obtaining any bond/surety where this is a requirement of the proposed Contract).

13.9 Tenders submitted by ~~facsimile or~~ electronic transmission will **not** be considered other than in exceptional circumstances and only with the prior agreement of the Director of Resources and Head of Legal and Democratic Services. Such arrangements will be agreed prior to the tender being advertised, unless the exceptional circumstances arise after such point, in which case such a change must be clearly advertised on the website alongside the tender invitation documentation as an amendment, and also communicated to any known interested parties.

13.10 At the point of inviting tenders, the Head of Legal and Democratic Services must be informed of the closing date and time for receipt of tenders in order that necessary arrangements can be put in place for the opening of any tenders received (CPR14 and CPR15).

13.11 In the case of Tenders above the Public Contracts Regulations thresholds, all communication and information exchange, including tender submission will be performed using electronic means of communication, in line with the regulations. This may require the use of online tendering services to facilitate this.

## CPR14: Receipt of Tenders

- 14.1 Envelopes and packages received in accordance with the provision of CPR 13 shall immediately on receipt be consecutively numbered and be placed in the custody of the Head of Legal and Democratic Services until the time appointed for the opening.
- 14.2 Any officer receiving tenders shall indicate on the envelope or package the date and time of its receipt by them.
- 14.3 Any tender received after the date and time indicated for the receipt of tenders shall not be considered unless in the opinion of the Director of Resources there is clear evidence that the tender was posted through the main council office's letter box or hand delivered at the main council offices before the date for receipt of tenders in which case the relevant Head of Service shall have discretion to admit the tender to opening and consideration. Subject to this exception tenders which are received late shall be retained **unopened** by the Head of Legal and Democratic Services until after the result of the tendering process has been published to tenderers.

## CPR 15: Opening of Tenders

- 15.1 All tenders with an estimated value in excess of £~~100,000~~50,000 will be opened by the Head of Legal and Democratic Services or their nominated representative in the presence of the appropriate Committee Chairman or in their absence the Vice Chairman.
- 15.2 All tenders will be opened at the same time and place and shall be immediately signed and dated by the Officers required to be present in accordance with CPR 15.1 above.
- 15.3 The Head of Legal and Democratic Services or their nominated representative will, at the time the tenders are opened, record in the tender register;
  - (a) the nature of the goods or materials to be supplied or the work to be executed;
  - (b) the name of each Provider by or on whose behalf a tender was submitted together with the consecutive number endorsed on the tender envelope;
  - (c) the amount of each tender;
  - (d) the date and time of the opening of the tender;
  - (e) the names of the persons present at the opening of the tenders.
- 15.4 The relevant Head of Service will keep securely all tenders with the envelopes received, with a copy being provided to the Head of Financial Services. From the date of the award of the Contract, such records must be retained for a period of no less than 6 years for the successful Provider and 1 year for any unsuccessful Providers, or such longer period as may be required by domestic legislation.

## **CPR16: Errors or Discrepancies in Tenders etc.**

- 16.1 Where examination of tenders reveals arithmetical or copying errors present in the documents submitted at the time of tender these shall be corrected by the Responsible Officer and details shall be recorded and maintained on the appropriate Contract file. If the correction has the effect that the tender is no longer the most competitive tender then the next tender in competitive order is to be examined and dealt with in the same way.
- 16.2 Where examination of tenders or checking of a priced bill or specification submitted at the Council's request after tenders have been opened reveals errors or discrepancies (other than arithmetical errors in documents submitted at the time of tender as in CPR 16.1 above) which would affect the total tender figure(s) in an otherwise successful tender, the Provider is to be given details of such errors and discrepancies but no other information and afforded an opportunity of confirming or withdrawing their tender in writing. If the tenderer confirms their total tender figure, then all the rates and prices on which the total tender price was based shall be adjusted (upwards or downwards) by the same percentage so as to correspond with the total tender figure (corrected in accordance with CPR 16.1 above if there was also an error or discrepancy requiring to be dealt with under that CPR).
- 16.3 If the Provider withdraws, the next tender in competitive order is to be examined and dealt with in the same way. Any exception to the procedure outlined above may be authorised only by the appropriate Service Committee after consideration of a report from the Head of Service concerned.

## CPR17: Contract Negotiations

- 17.1 Negotiations following the receipt of a Tender shall not apply to any Contract that is governed by the Public Contracts Regulations, unless expressly allowed under the Regulations.
- 17.2 The Responsible Officer may negotiate the contract in the manner set out in CPR 17.3 below, subject to approval by the Director of Resources, and provided the terms of the contract remain substantially unaltered. This can only be undertaken where:
- (a) tendering produced no tenders, or inappropriate tenders, for example where the tender figure in an otherwise successful tender exceeds approved or budgeted expenditure, or where the approved or budgeted expenditure has changed since tenders were invited, or
  - (b) tendering was discontinued because of irregular tenders, for example because tenders fail to meet the requirements specified in the Contract documents or offer variations on them or the works, supplies or goods fail to meet the tender specification.
- 17.3 The Responsible Officer shall invite all Providers to amend their tenders, in writing, in such matters (e.g. unit price, delivery, discounts or by removing elements of the specification or bill of quantities) as the Responsible Officer specifies. All negotiations shall be conducted by at least two officers, **one of whom should not be otherwise involved in the contract evaluation or award**. The Responsible Officer shall keep a written record of all negotiations, including notes of all meetings and the names of those people present.
- 17.4 Clarifications of ambiguous Tenders does not constitute post tender negotiations.
- 17.5 At the conclusion of the post tender negotiation process, those Providers invited to negotiate will be formally invited to submit a best and final offer under the same procedure as for the receipt and opening of original Tenders or quotations.

## CPR18: Acceptance of Tenders

- 18.1 A tender **other than** that which meets the most economically advantageous tender (MEAT) criteria shall not be accepted until the Council or relevant Service Committee have considered and approved a written report from the relevant Head of Service. The MEAT criteria includes the 'Best Price-Quality Ratio' which means price or cost plus other criteria and equates to value for money. The use of Life Cycle Costing must also be ensured in the evaluation of Tenders. The evaluation of such costs **must** involve the assistance of the Council's Finance Section.
- 18.2 The scoring of contracts will be undertaken by the relevant Head of Service and a team chosen by them. This team will also include a member of staff involved in procurement from within the Council's Financial Services Section. Scoring will first be undertaken individually and then later moderated as a team to arrive at a consensus score. Details of the scoring methodology will be included within the initial Invitation to Tender documentation.
- 18.3 No Contract may be awarded unless the expenditure involved has been included in approved estimates or in capital or revenue accounts or has been otherwise approved by or on behalf of the Council.
- 18.4 The only exception permitted under this Procedure Rule is where works/supplies/services are ordered on grounds of extreme urgency (e.g. responding to a civil emergency). The Responsible Officer should consult with the Director of Resources and appraise them of the position, so that as soon as practicable arrangements can be made to report the matter to Council or the relevant Service Committee.
- 18.5 No contract with a quoted value in excess of £~~100,000~~50,000 shall be awarded until the Director of Resources has checked the Provider's financial standing and provided written confirmation that this is satisfactory for the Contract to be undertaken.
- 18.6 The Responsible Officer shall work with the Procurement Assistant to ensure compliance with Public Contracts Regulations requirements for the publication of Contract Award Notices and provide copies of the Notice(s) to the Head of Legal and Democratic Services and the Director of Resources.
- 18.7 Details of all Contract awards shall be forwarded to the Procurement Assistant for inclusion in the Council's Contracts Register as soon as possible after the award and prior to works commencing. Such notification must also include evidence of the authority to enter into the Contract.

## CPR19: Nominated Sub-Contractors and Suppliers

- 19.1 Contract Procedure Rules apply to the nomination of a sub-contractor or nomination of a supplier for carrying out works or services or supplying goods or materials as part of a larger contract. This would generally be due to the specialist nature of the works, goods or services required.
- 19.2 Where the estimated amount of the sub-contracted work to be undertaken by the nominated sub-contractor, or the estimated value of the goods to be supplied by the nominated supplier does not exceed £~~100,000~~50,000 then unless in the opinion of the responsible Director there could be grounds for exemption (in which case CPR5 must be followed in full), competitive written quotations shall be sought in accordance with CPR 6.3.
- 19.3 Where the estimated amount of the sub-contracted work to be undertaken by the nominated sub-contractor, or the estimated value of the goods to be supplied by the nominated supplier exceeds £~~100,000~~50,000 then unless in the opinion of the responsible Director there could be grounds for exemption (in which case CPR5 must be followed in full), tenders shall be invited in accordance with CPR 12.
- 19.4 Any exemption from these Contract Procedure Rule requirements must comply with CPR 5.

## CPR20: Form of Contract

- 20.1 Every Contract exceeding £~~100,000~~50,000 in value, or below £~~100,000~~50,000 where a formal tendering process has been undertaken and in any other case where the Head of Legal and Democratic Services so decides, shall either be documented using an approved Standard Form of Contract or be in writing in a form approved by the Head of Legal and Democratic Services and shall specify:
- (a) the works or services to be performed and/or the goods or materials to be supplied;
  - (b) the parties to the contract including any guarantor;
  - (c) the price to be paid with a statement of discounts or other appropriate adjustments;
  - (d) the time within which the Contract is to be performed or carried out;
  - (e) that the Provider will not assign the Contract without the written consent of the Council;
  - (f) any appropriate restriction on sub-contracting by the Provider;
  - (g) where appropriate that the Provider will pay liquidated damages or other damages to the Council should the terms of the Contract not be properly carried out, including the method by which such damages will be calculated and the circumstances in which they will be payable;
  - (h) any performance bond or parent company guarantee required and the Responsible Officer shall consult with the Director of Resources and Head of Legal and Democratic Services before including or excluding such a requirement in the tender documents;
  - (i) that the Provider will adopt safe methods of work and comply with all other requirements of the Health and Safety at Work Act 1974;
  - (j) that the Council may cancel the Contract and recover any loss if the Provider, its employees, agents and sub-providers offer any reward relating to the Contract or commit any offence under the Prevention of Corruption Acts 1889 to 1916 or have given any fee or reward the receipt of which is an offence under section 117(2) of the Local Government Act 1972;
  - (k) that the Provider shall comply with UK Data Protection legislation and indemnify the Council in respect of the use, disclosure or transfer of personal data by the Provider, its employees, agents and sub-Providers;

- (l) that the Provider shall not unlawfully discriminate within the meaning of the Equality Act 2010 or any comparable statutory provision relating to discrimination in employment, and shall ensure that all employees, agents and sub-contractors do not unlawfully discriminate, and shall comply with all relevant codes of practice issued by the Equality and Human Rights Commission, or comparable body and, so far as is practicable, operate an equal opportunities policy which complies with the practical guidance and recommendations contained in such codes of practice;
- (m) that the Provider will indemnify the Council against:
- any claim which may be made in respect of employers' liability against the Council or the Provider by any worker employed by the Provider or any sub-contractor in the execution of the work or in the provision of goods and services;
  - any claim for bodily injury to, or damage to property of, third parties;
  - any claim which may be made under the Health and Safety at Work etc Act 1974 against the Council or the Provider unless such claim is substantially due to the neglect of the Council or any of its Officers;
- (n) that in respect of (m) above, the Provider will be required to produce satisfactory evidence that they are insured against such claims;
- (o) that Providers shall hold the Council's interests paramount and strictly avoid conflict with other work or their own corporate interests;
- (p) the dispute resolution process to be followed in the event of any dispute;
- (q) the amount of notice period to be recognised by both parties in the event of a change to, or termination of, the Contract;
- (r) the recovery mechanism to be followed should any sum of money become recoverable from or payable by the Provider;
- (s) the requirements of the Freedom of Information Act and the Local Authorities Data Transparency Code;
- (t) that they must comply with the supply chain requirements under the Modern Slavery Act 2015;
- (u) that the Provider must comply with the principles of the Prevent Duty.
- (v) Details of any liquidated damages that may become due as a result of the contract. The calculation of such sums for inclusion in the contract documentation (and any invitation to tender where applicable) is to be undertaken with the assistance of the Financial Services section.

## CPR21: Execution of Contracts

- 21.1 Contracts with a value of less than £~~100,000~~50,000 may be signed by the relevant Director.
- 21.2 Every Contract which exceeds £~~100,000~~50,000 in value shall either be signed for and on behalf of the Council by the Chief Executive or Director of Resources or be executed as a deed.
- 21.3 A copy of such signed Contracts or Deeds must be retained by the legal section.

## CPR22: Contract Variation After Award

22.1 Where, after contract award, by reason of any extra or variation (other than a Contract extension under CPR 12.1(b)) it is apparent that:

- (a) the tender sum is to be exceeded by 5 per cent; or
- (b) a timeframe variation would extend the Contract period by more than three months or by 50 per cent of the original Contract period; or
- (c) if the works, services or goods to be added or deleted from the Contract are substantially different in scope

the relevant Head of Service shall report in writing the same immediately to the Director of Resources and Head of Legal and Democratic Services.

22.2 Should further variations as set out in CPR 22.1 above arise after the Head of Service's initial report, these further variations shall also be reported as set out in CPR 22.1 above.

22.3 Details of all variations shall be recorded in the contract file and shall be reported to the appropriate Service Committee on a regular basis, and also as part of the regular monitoring/budgetary control process ensuring compliance with Financial Regulations.

22.4 In the case of any contracts covered under the Public Contracts Regulations, where the Contract Value increases by 50% or more from that at the point of Contract Award, then the tender opportunity must be re-advertised. The reporting requirements at 22.1 to 22.3 above must also be followed.

# ANNEX 1

## Public Contracts Regulations – Thresholds and Procedures

FOR INFORMATION ONLY  
NOT FORMING PART OF THE COUNCIL'S ADOPTED CONTRACT PROCEDURE RULES

**Any procurements that encompass these regulations must ensure involvement of the Head of Financial Services and Head of Legal and Democratic Services**

### Purpose

The purpose of the Public Contracts Regulations is to open up the public procurement market. In most cases they require competition. The Regulations reflect and reinforce the value for money focus of the Government's procurement policy. This requires that all public procurement must be based on value for money, defined as 'the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought', which should be achieved through competition, unless there are compelling reasons to the contrary.

### Current Thresholds (January 2021/2022)

	Value over the full anticipated lifetime of supply (inclusive of VAT) £
Supplies and Services	<u>189,330</u> <u>213,477</u>
Light touch regime services (Previously 'Part B' services)	663,540
Works	<u>4,733,252</u> <u>5,336,937</u>
Small lots (Services)	70,778
Small lots (works)	884,720
Utilities (Supplies and Services)	<u>378,660</u> <u>426,955</u>
Utilities (Works)	<u>4,733,252</u> <u>5,336,937</u>
Utilities (Small Lots Supplies and Services)	70,778
Utilities (Small Lots Works)	884,720

The value of a contract is the expected amount of consideration (in money or money's worth) that will be received by the person or organisation that carries out the works or provides the services or supplies, **over the full anticipated lifetime of supply**.

## Procurement Routes and Time Limits

### ***Open Procedure***

This procedure is generally used where the expected number of responses is likely to be manageable. Any organisation expressing an interest in an advertised opportunity is invited to tender and is directed to the online tender pack. This must be completed fully and returned with any requested supporting information by a specified date and time. A panel of officers evaluate responses against pre-set criteria and the highest scoring tenderer is awarded the contract.

<b>Normal Minimum Time Limit</b>	<b>If Urgent</b>	<b>Where Prior Information Notice Published</b>	<b>Normal Minimum Time Limit for Local Government</b>
Minimum time limit for receipt of tenders 35 days	Minimum time limit for receipt of tenders 15 days	Minimum time limit for receipt of tenders 15 days	-

### ***Restricted Procedure***

This procedure is generally used if a high level of interest is anticipated. This procedure requires organisations who express an interest to undergo an initial pre-qualification assessment to appraise such things as their economic and financial standing, capability and capacity and compliance with Health and Safety and Equal Opportunities. Normally organisations are sent a pre-qualification questionnaire which must be completed fully and returned by a specified date and time. A panel of officers evaluate responses against pre-set criteria and the most suitable applicants are then invited to tender.

<b>Normal Minimum Time Limit</b>	<b>If Urgent</b>	<b>Where Prior Information Notice Published</b>	<b>Normal Minimum Time Limit for Local Government</b>
Minimum time limit for requests to participate 30 days	Minimum time limit for requests to participate 15 days	Minimum time limit for requests to participate 30 days	Minimum time limit for requests to participate 30 days
Minimum time limit for tenders 30 days	Minimum time limit for tenders 10 days	Minimum time limit for tenders 10 days	Minimum time limit for tenders to be set by agreement with tenderers. In absence of agreement minimum time limit 10 days

### **Competitive Procedure with Negotiation**

Under the Competitive Procedure with Negotiation, any Supplier may request to participate in the exercise. The council makes an initial evaluation of the candidates based upon the grounds of exclusion and the selection criteria published in the contract notice. It may limit the number of suitable candidates to be invited to participate in the procedure. The council then invites its chosen Suppliers to submit an initial tender.

The council will negotiate with tenderers the initial and all subsequent tenders submitted, except for the final tender, to improve their content. The minimum requirements and the award criteria are not subject to negotiation.

<b>Normal Minimum Time Limit</b>	<b>If Urgent</b>	<b>Where Prior Information Notice Published</b>	<b>Normal Minimum Time Limit for Local Government</b>
Minimum time limit for requests to participate 30 days	Minimum time limit for requests to participate 15 days	Minimum time limit for requests to participate 30 days	Minimum time limit for requests to participate 30 days
Minimum time limit for initial tenders 30 days	Minimum time limit for tenders 10 days	Minimum time limit for tenders 10 days	Minimum time limit for tenders to be set by agreement with tenderers. In absence of agreement minimum time limit 10 days

### **Competitive Dialogue**

This is an option that allows for bidders to develop alternative proposals in response to the council's outline requirements. Only when their proposals are developed to sufficient detail are tenderers invited to submit competitive bids. The aims are to increase value by encouraging innovation and to maintain competitive pressure in bidding for complex contracts.

<b>Normal Minimum Time Limit</b>	<b>If Urgent</b>	<b>Where Prior Information Notice Published</b>	<b>Normal Minimum Time Limit for Local Government</b>
Minimum time limit for requests to participate 30 days	-	-	-
No time limits for submission of initial/subsequent tenders	-	-	-

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

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meeting date: 28 MARCH 2023  
title: TREASURY MANAGEMENT POLICIES AND PRACTICES 2023/24  
submitted by: DIRECTOR OF RESOURCES  
principal author: VALERIE TAYLOR

### 1 PURPOSE

- 1.1 To review, approve and adopt the Treasury Management Policy Statement and Practices for 2023/24.
- 1.2 Recommend to Council the Treasury Management Policies and Practices 2023/24.

### 2 BACKGROUND

- 2.1 The Treasury Management Policies and Practices document governs the way we manage our investments. It is reviewed on an annual basis to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code. The Code identifies twelve areas where statements of treasury management practices should be developed to implement the full requirements of the Code.

### 3 TREASURY MANAGEMENT POLICY STATEMENT AND TREASURY MANAGEMENT PRACTICES

- 3.1 The revised Treasury Management Policy Statement and Treasury Management Practices are shown at Appendix 1 within the Treasury Management Policies and Practices document.
- 3.2 The Treasury Management Policy Statement follows the wording recommended by the latest edition of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes 2021 Edition.
- 3.3 The Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives, and how it will manage and control those activities
- 3.4 The Treasury Management Practices are split as follows:
  - **Key Principles:** *which follow the wording recommended by the revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*
  - **Schedules:** *which cover the detail of how the Council will apply the key Principles in carrying out its operational treasury activities*
- 3.5 Since the treasury management policy statement and treasury management practices were last approved in March 2022, there have not been any further changes to the CIPFA Treasury Management Code and so the majority of the document remains unchanged.

#### 4 COUNTERPARTY LIMITS

- 4.1 Investment limits and the organisations with whom we are authorised to place deposits is set out in the counterparty list on page 23 of the Treasury Management Policies and Practices at Annex 1.
- 4.2 To allow for greater flexibility in our treasury management operations we are proposing the following increases to the council's counterparty limits. These have been proposed following review at a senior level and following comparison with the limits in place at neighbouring authorities.

Organisation	Current Limit	Proposed Limit	Compared to Neighbouring Authorities
Government Debt Management Office (DMO)	£5m	Unlimited	All unlimited with the exception of one council with a limit of £2m
Banks	£1.75m	£5m	A range of between £1.5m and £8m, with an average of £4.5m
Building Societies	£1.75m	£3m (with a sector limit of £5m)	
Other Local Authorities*	£2.5m	£5m	A range of between £2m and £12m, with an average of £5.3m

\*The council's counterparty list also includes Police and Crime Commissioners, Fire and Rescue Services and Transport Authorities within this category.

#### 5 RECOMMENDED THAT COMMITTEE

- 5.1 Review, approve and formally adopt the Treasury Management Policies and Practices document as attached at Appendix 1, incorporating the
- Treasury Management Key Principles
  - Treasury Management Policy Statement
  - Treasury Management Clauses
  - Treasury Management Practices and Schedules

- 5.2 Recommend to Council the Treasury Management Policies and Practices 2023/24.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF34-22/VT/AC  
20 MARCH 2023

BACKGROUND PAPERS:

CIPFA Treasury Management in the Public Services – Code of Practice and Cross – Sectoral Guidance Notes 2021 Edition

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# Treasury Management Policies and Practices

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2023/24

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***Key Officer Contacts for the Treasury Management Practices***

<b>Name</b>	<b>Job Title</b>
Jane Pearson	Director of Resources
Lawson Oddie	Head of Financial Services
Valerie Taylor	Senior Accountant

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## Introduction

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Local authorities' treasury management activities are prescribed by statute. The sources of their powers, in England and Wales, are the Local Government Act 2003.

Essentially a local authority in England and Wales may borrow or invest for any purpose relevant to its functions, under any enactment, or '*for the purposes of the prudent management of its financial affairs*'.

Under the Act, a local authority is required to determine and keep under review how much money it can afford to borrow and may only borrow only in sterling (except with the consent of HM Treasury).

Local authorities are not constrained by law in the types of investments they can make or the investment instruments they may use. However, they are in practice constrained by the MHCLG (now the DLUHC) guidance 'Statutory Guidance on Local Government Investments' (MHCLG 2018), which stress the prudent investment strategy of security, liquidity and yield. This means that first and foremost local authorities must ensure the security of their principal sum invested. i.e. ensure that they get back their full investment. Then they should ensure that they have the liquidity they need, i.e. that they have funds available when needed, and so should consider the length of an investment. Only when these two are satisfied should the yield or return on the investment be considered.

Under the Local Government Act 2003 and also the Local Authorities (Capital Finance and Accounting) Regulations 2003, the Council is required to have regard to the CIPFA Treasury Management Code of Practice (2021) (The Code) and the associated guidance.

Under The Code the Council is required to formally adopt a number of Clauses and also to adopt a formal treasury management policy statement within this document, which defines the policies and objectives of its treasury management activities. Furthermore The Code recommends that the Council follows a set of Treasury Management Practices in carrying out its treasury management activities. All of these items are outlined over the following sections.

## Key Principles

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The CIPFA Treasury Management Code of Practice (2021) identifies three key principles. In framing these three principles, or recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money.

It is CIPFA's view that throughout the public services the priority for treasury management is to protect capital rather than to maximise return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money.

### **KEY PRINCIPLE 1:**

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

### **KEY PRINCIPLE 2:**

Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instrument for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management funds.

### **KEY PRINCIPLE 3:**

They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

## Treasury Management Clauses

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CIPFA recommends that all public service organisations adopt, as part of their treasury management policies the following four clauses:-

1. Ribble Valley Borough Council will create and maintain, as the cornerstones for effective treasury and investment management:
  - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - suitable treasury management practices (TMPs), setting out the manner in which the council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
  - investment management practices (IMPs) for investments that are not for treasury management purposes.

The context of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6,7 and 8 of the TM Code, subject only to amendment where necessary to reflect the particular circumstances of this council. Such amendment will not result in Ribble Valley Borough council materially deviating from the Code's key principles.

2. The Policy and Finance Committee of Ribble Valley Borough Council will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs and IMPs.
3. Ribble Valley Borough Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Policy and Finance Committee, and for the execution and administration of treasury management decisions to the Director of Resources, who will act in accordance with the council's policy statement, TMPs and IMPs, and CIPFA's *Standard of Professional Practice on Treasury Management*.
4. Ribble Valley Borough Council nominates the Policy and Finance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

## Treasury Management Policy Statement

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This Council defines its treasury management activities as:

*The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.*

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.

This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council's investments followed by the yield earned on investments remain important but are secondary considerations.

# Treasury Management Practices

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CIPFA's Code of Practice on Treasury Management recommends that suitable treasury management practices (TMPs) are maintained, setting out the manner in which the council will seek to achieve the policies, objectives and approach to risk management of its treasury management activities. The code identifies twelve areas where statements of treasury management practices should be developed.

## TMP 1: Risk Management

### **General Statement**

This authority regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment.

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in *TMP6 Reporting requirements and management information arrangements*. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

#### **i) Credit and counterparty risk management**

This council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited or investments made, and will limit its treasury management investment activities to the instruments, methods and techniques referred to in *TMP 4 Approved instruments, methods and techniques* and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

The council's credit and counterparty policies will set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the council's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

#### **ii) Liquidity risk management**

This council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The council will not borrow earlier than required to meet cash flow needs unless there is a clear business case for doing so and will only do so for the current capital programme, to fund future debt maturities, or to ensure an adequate level of short-term investments to provide liquidity for the organisation.

#### **iii) Interest rate risk management**

This council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs or revenues in accordance with its treasury management policy and strategy and in accordance with *TMP 6 Reporting requirements and management information arrangements*.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

**iv) Exchange rate risk management**

The council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

**v) Inflation risk management**

The council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

**vi) Refinancing risk management**

This council will ensure that its borrowing and other long-term liabilities are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

**vii) Legal and regulatory risk management**

This council will ensure that all its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1 (i) *Credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the council, particularly with regard to duty of care and fees charged.

This council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

**viii) Operational risk, including fraud, error and corruption**

This council will ensure that it has identified the circumstances which may expose it to the risk of loss through inadequate or failed internal processes, people and systems or from external events. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

**ix) Price risk management**

This council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect it from the effects of such fluctuations.

## TMP 2: Performance measurement

This council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of on-going analysis of the value it adds in support of the council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document. The criteria will include measures of effective treasury risk management and not only measures of financial performance (income or savings).

## TMP 3: Decision-making and analysis

This council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past and for accountability, e.g demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at that time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

## TMP 4: Approved Instruments, method and techniques

This council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 Risk management.

Where the council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The organisation will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

The council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

## TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements

This council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principal on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP 6 *Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the responsible officer in respect of treasury management are set out in the schedule to this document. The responsible officer will fulfil all such responsibilities in accordance with the council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

### TMP 6: Reporting requirements and management information arrangements

This council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum:

The council will receive:

- An annual report on the strategy and plan to be pursued in the coming year.
- A mid-year review.
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the council's treasury management policy statement and TMPs.

The Policy and Finance Committee will receive regular monitoring reports on treasury management activities and risks.

The body responsible for scrutiny, such as audit or scrutiny committee, will have responsibility for the scrutiny of treasury management policies and practices.

The Council will report the treasury management indicators and any other investment indicators required by regulation as detailed in their sector specific guidance notes.

The present arrangements and the form of these reports are detailed in the schedule to this document.

## TMP 7: Budgeting, accounting and audit arrangements

The responsible officer will prepare, and this council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk Management, TMP 2 Performance measurement, and TMP 4 Approved instruments, methods and techniques. The responsible officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP 6 Reporting requirements and management information arrangements.

This council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

## TMP 8: Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with TMP 1 Liquidity risk management, and for the purpose of identifying future borrowing needs (using a liability benchmark where appropriate). The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

## TMP 9: Money laundering

This council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this is properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule to this document.

## TMP10: Training and qualifications

This council recognises the importance of ensuring that all staff involved in the treasury management functions are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.

The responsible officer will ensure that Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements, including a knowledge and skills schedule, are detailed in the schedule to this document.

## TMP11: Use of external providers

This council recognises that responsibility for treasury management decisions remains with the council at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such services providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review. And it will ensure, where feasible and necessary, that a spread of service providers, is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rest with the responsible officer and details of the current arrangements are set out in the schedule to this document.

## TMP12: Corporate governance

This council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This council has adopted and has implemented the key principles of the TM Code. This together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

## Investments that are not part of treasury management activity

The definition of treasury management within the council's Treasury Management Policy Statement includes all the investments of the council. This may include investments that are outside the purposes of normal treasury management and that may be managed elsewhere in the council. However, treasury managers should normally have an understanding of such investments and should support their management within the organisation. Public service organisations may have investments for various Purposes:

- **Investments for treasury management purposes** (or treasury management investments) are those investments that arise from the organisation's cash flows or treasury risk management activity and ultimately represent balances that need to be invested until the cash is required for use in the course of business;
- **Investments for commercial purposes** (or commercial investments) are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services; and
- **Investments for service purposes** (or service investments) are taken or held primarily for the provision and for the purposes of delivery public services (including housing, regeneration and local infrastructure), or in support of joint working with others to deliver such services.

### **Investment Management Practices (IMPs) for investments that are not part of the treasury management activity**

The responsible officer will categorise any non-treasury management investments and plans into appropriate portfolios (or individual major investments) reflecting the different purposes, objectives and management arrangements of the investments and covering all the organisation's financial investments, together with any non-financial assets that are held primarily for financial return (such as commercial property).

For each such portfolio a schedule to this IMP sets out the investment objectives, investment criteria, risk management arrangements, decision-making and reporting arrangements, performance measurement and management, and arrangements for training and qualifications.

It is recognised that the risk appetite for these activities may differ from that for treasury management.

We do not currently have any investments that are held primarily for financial return.

Investments held for service purposes, such as property held for the provision of emergency accommodation, are recorded on the council's fixed asset register and are considered as part of the council's approved capital programme.

## SCHEDULE A

### TMP 1: Risk Management

#### **CREDIT AND COUNTERPARTY RISK**

Credit and counter-party risk is the risk of failure by a third party to meet its contractual obligations to the council under an investment, borrowing, derivative instrument, or capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

#### **Criteria to be used for creating/managing approved counterparty lists/limits**

As a holder of public funds, the Council recognises its prime responsibility is the security of the principal of the sums which it invests. Consequently, it will optimise returns commensurate with the management of the associated risk.

The Council will determine through its Annual Investment Strategy the credit criteria for various investment instruments.

The credit rating of counter parties is monitored regularly. Any counter party failing to meet the criteria will be removed from the list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Principally, Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. In addition, the rating given by rating agents S&P Global Ratings and Moody's are also considered prior to an investment. Whilst they only show an indication of the current credit position, they are being monitored on a regular basis and any significant changes will be reported to Policy and Finance Committee. It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets (provided they are included in Fitch ratings).

The banks the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating.

The Council has a policy to only use institutions with a short term Fitch rating of F2 or above

In addition to the Building societies and banks we use for investments, also approved for use is the United Kingdom Debt Management Office, where the Government guarantees investments.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested with these bodies. This criterion is also specified within the approved counter party criteria.

#### **LIQUIDITY RISK**

Liquidity risk is the risk that cash will not be available when it is required, that ineffective management of liquidity creates additional unbudgeted costs, and the Council's business/service objectives will be thereby compromised. This can jeopardise the ability of the Council to carry out its functions or disrupt those functions being carried out in the most cost effective manner. The Council will therefore have sufficient stand by facilities to ensure that there is always sufficient liquidity to deal with unexpected occurrences. It will also seek to ensure that its cash flow forecasting gives as accurate a picture as possible of the changes in income and expenditure and the resulting residual daily cash balances.

### **Amounts of approved minimum cash balances and short-term investments**

It is the intention to minimise cash balances held overnight, and for short-term investments to be made in order to fulfil the projected net cash flow requirement.

- **Standby Facilities:** Any funds held on call notices should not exceed 25% of the total amount invested at any one time and a maximum of £500,000.
- **Bank overdraft arrangements:** The council does not have an agreed overdraft facility and instead relies on the stringent cash flow projections.
- **Short-term investment facilities:** Surplus funds shall be temporarily invested via the money market at the best rate of interest available, in accordance with the minimisation of risk of the capital sum. In all investment matters the protection of the capital sum will be of paramount importance and will override the desire to obtain the highest interest rates.
- **Short-term borrowing facilities:** The facility is in place to borrow from other local authorities through approved broker services should any unexpected occurrence result in a temporary reduction to the council's short-term liquidity, however by managing our cash flow effectively such occurrences will be kept to a minimum.

### **INTEREST RATE RISK**

Interest rate risk is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the council's finances, against which the council has failed to protect itself adequately. The Council will seek to minimise this risk by reviewing forecasts of interest rates. It will also determine appropriate limits and trigger points as set out in the council's Capital and Treasury Management Strategy. This strategy will be periodically reviewed during the relevant year to see whether any modifications are required in the light of actual movements in interest rates.

### **EXCHANGE RATE RISK**

Exchange rate risk is the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the council's finances, against which the Council has failed to protect itself adequately. The Council has a minimal exposure to exchange rate risk as it does not enter into loans or investments in foreign currency for treasury management purposes.

At this time the Council does not get involved in any other significant foreign currency transactions. These are limited to a very small number of invoice payments.

### **INFLATION RISK**

Inflation risk, also called purchasing power risk, is the chance that the cash flows from treasury instruments (such as investments) won't be worth as much in the future because of changes in purchasing power due to inflation. The Council mitigates against this risk as much as possible by monitoring the Bank of England's Monetary Policy Committee inflation reports and by limiting investments with counterparties to fixed interest rate agreements at terms below 365 days.

### **REFINANCING RISK**

Refinancing risk is the risk that when maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time. The council maintains reliable records and forecasts of the terms and maturities of its borrowings, capital, project and partnership funding to allow it to plan the timing of, and successfully negotiate appropriate terms for, its refinancing, if necessary.

### Debt/other capital financing maturity profiling, policies and practices

The total debt held with the Public Works Loans Board is summarised in the table below, showing the estimated debt maturity assuming no further borrowing is undertaken. The council has no current plans to refinance its debt.

Original Loan Amount £	Term	Interest Rate	Estimated Principal Outstanding at 31 March 2022 £	Year of Final Repayment
250,000	15 years	4.75% Fixed	200	2022/23
250,000	25 years	4.88% Fixed	105,000	2032/33
		<b>Total PWLB</b>	<b>105,200</b>	

### Projected capital investment requirements

In accordance with the Prudential Code for Capital Finance in Local Authorities, the Director of Resources has prepared a ~~three~~ five-year plan for capital expenditure for the Council.

The use of borrowing to support the capital programme results in an average of ~~£431,200~~ £14,520 per year for the period ~~2022/23~~ 2023/24 to ~~2024/25~~ 2027/28. The nature of the assets where borrowing has been used is in line with recommendations from the council's Budget Working Group and as approved by Policy and Finance Committee i.e. in respect of land and buildings.

~~In light of the uncertainty regarding local government funding beyond 2022/23 and the impending fair funding review, Policy and Finance Committee recommended a three year Capital Programme to Full Council at their meeting in February 2022, and asked that due diligence work be undertaken on all new capital bids to enable further consideration over the summer once the impact of the pending key financial reforms are known.~~

A summary of the approved capital programme and its financing for the ~~three~~ five year programme are provided in the table below.

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	TOTAL £
Disabled Facility Grants	-393,000	-393,000	-393,000	-393,000	-393,000	<b>-1,965,000</b>
Section 106 Monies	-2,139,420	0	0	0	0	<b>-2,139,420</b>
VAT Shelter Earmarked Reserve	-150,000	-100,000	-100,000	-100,000	-100,000	<b>-550,000</b>
Capital Earmarked Reserve	-449,252	-15,000	0	0	0	<b>-464,252</b>
New Homes bonus Earmarked Reserve	-248,009	-62,860	0	0	0	<b>-310,869</b>
ICT Renewals Earmarked Reserve	-24,241	-63,400	0	0	0	<b>-87,641</b>

	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£	£	£	£	£	£
Vehicle Renewals Earmarked Reserve	-51,030	0	0	0	0	<b>-51,030</b>
Fleming VAT Earmarked Reserve	-5,451	0	0	0	0	<b>-5,451</b>
Business Rates Growth Earmarked Reserve	-1,071,959	-500,000	-500,000	-500,000	-500,000	<b>-3,071,959</b>
Usable Capital Receipts	-27,548	-20,220	-432,240	-385,280	-542,900	<b>-1,408,188</b>
Borrowing	-72,600	0	0	0	0	<b>-72,600</b>
<b>Total Resources</b>	<b>-4,632,510</b>	<b>-1,154,480</b>	<b>-1,425,240</b>	<b>-1,378,280</b>	<b>-1,535,900</b>	<b>-10,126,410</b>
Total of Approved Capital Programme	4,632,510	1,154,480	1,425,240	1,378,280	1,535,900	<b>10,126,410</b>

### **Policy concerning limits on affordability and revenue consequences of capital financing**

The policy is considered on an annual basis. In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this period.

The Council will use the definitions provided in the Prudential Code for borrowing, capital expenditure, debt, financing costs, investments, net borrowing, net revenue stream and other long term liabilities.

### **LEGAL AND REGULATORY RISK**

Legal and regulatory risk is the risk that either the Council, or a third party which it is dealing with in its treasury management activities, acts outside of its legal powers or regulatory requirements and as a result the Council incurs loss.

### **References to relevant statutes and regulations**

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council.

### **Procedures for evidencing the Council's powers and authorities to counterparties and the required information from Counterparties concerning their powers and authorities**

The Council will provide written evidence of its powers and authorities to any counterparty that requests us to do so. Counterparties will also provide their details to the Authority as a matter of course.

The Council's powers to borrow and invest are contained in legislation.

- Investing: Local Government Act 2003, section 12

- Borrowing: Local Government Act 2003, section 1

Lending shall only be made to counterparties on the Approved Lending list.

### **Statement on the Council's political risks and management of same**

The Council recognises that future political, legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the authority.

The monitoring officer is the Head of Legal Services; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

It is the duty of the Director of Resources to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if they have concerns as to the financial prudence of its actions or its expected financial position.

### **FRAUD, ERROR AND CORRUPTION, AND CONTINGENCY MANAGEMENT RISK**

Fraud, error and corruption risk is the risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk. The Council will therefore:-

- Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

### **Details of systems and procedures to be followed, including internet services**

#### **Authority**

- The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- All loans and investments are approved by the Director of Resources or the Head of Financial Services, or in the absence of both, the Chief Executive.
- Procedures are defined in the Council's Financial Regulations.

#### **Procedures**

- Detailed procedure notes are maintained on all of the treasury management functions. The current treasury management and systems document is attached at Annex1.

#### **Investment and borrowing transactions**

- A detailed register of all loans and investments is maintained.
- Cashflow spreadsheets are maintained to support decisions to lend or borrow.
- Any transaction discrepancies are immediately reported to the broker or counterparty for resolution.
- All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's

records for the transaction. Any discrepancies are immediately reported to the broker or counterparty for resolution.

### **Regularity and security**

- Lending is only made to institutions on the Approved List of Counterparties.
- The Cash flow working papers prompt the officer dealing with the daily cash flow that money borrowed or lent is due to be repaid.
- All loans raised and repayments made go directly to and from the bank account of approved counterparties.
- Counterparty limits are set for every institution that the Council invests with.
- There is a separation of duties in the section between dealers and the checking and authorisation of deals.
- The Council's bank holds a list of Council officials who are authorised signatories.
- There is adequate insurance cover for employees involved in treasury management and accounting.

### **Checks**

- A bank reconciliation is carried out independently of officers involved directly in the treasury management function on a monthly basis from the bank statement to the financial ledger.
- A debt charge/investment income listing is monitored quarterly against the budget for interest earnings and debt costs.

### **Calculations**

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy manually.

Officer compliance with the Treasury Management Policies and Practices is independently checked periodically by the Internal Audit function.

### **Emergency and contingency planning arrangements**

The Council will ensure that written procedures are in place and kept up to date for such situations, for both the Emergency Plan and the Business Continuity Plan.

### **Insurance cover details**

The Authority has a Fidelity Guarantee policy with Zurich Municipal Insurance. This provides cover to the value of £10,000,000. This covers the loss of cash by fraud, or the dishonesty of five designated officers dealing with the treasury management function. All other officers are covered to the value of £250,000.

There is also a Business Interruption policy with Zurich Municipal Insurance. This provides cover for the costs of re-establishing the Council's operations in the event of the normal operational facilities being unavailable.

### **PRICE RISK**

Market risk is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effect it has failed to protect itself adequately.

**Details of approved procedures and limits for controlling the Council's exposure to investments / borrowing whose capital value may fluctuate (Gilts, CDs, and Lender's Option Borrower's Option (LOBO) etc.)**

These are controlled through setting limits on investment and borrowing instruments where the principal value can fluctuate. The limits would be determined and set through the Annual Investment Strategy, which forms part of the council's Treasury Management Strategy. However, the Council has no investments / loans of this nature at the current time, and has no plans to do so in the near future.

## **SCHEDULE B**

### **TMP 2: Performance measurement**

#### **Evaluation and review of treasury management decisions**

The Council has a number of approaches to evaluating treasury management decisions: -

- **Day to day reviews during the financial year:** *The Director of Resources or the Head of Financial Services review all treasury management activity and decisions on a daily basis. This includes ensuring that any activity operates within the boundaries set out within this document and the Treasury Management Strategy.*
- **Annual review after the end of the financial year:** *An annual treasury report is submitted to the Policy and Finance Committee each year after the close of the financial year which reviews the performance of the treasury management activity over the financial year. This report includes coverage on the areas of:*
  - Any borrowing requirements in the year
  - Investments made
  - Performance against the prudential indicators
- **Quarterly Review:** *The annual review is supplemented by quarterly submissions of monitoring reports to Policy and Finance Committee. These reports include coverage on the areas of:*
  - Any borrowing requirements in the year
  - Investments made to date
  - Performance to date against the prudential indicators
  - A review of the approved organisations
- **Comparative reviews:** *When data becomes available, comparative reviews are undertaken to see how the performance of the function compares to other authorities. This is generally a comparison to other Lancashire councils, and the CIPFA Treasury Management statistics published each year for the last complete financial year*

#### **Policy concerning methods for testing value for money in treasury management**

##### **Banking services**

Banking services are reviewed on a regular basis to ensure that the council is receiving value for money.

##### **Money-broking services**

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

**Methods to be employed for measuring the performance of the Council's treasury management activities**

This will include a comparison with other councils through the CIPFA Expenditure and Treasury Management Statistics return and also through comparison exercises periodically carried out between Lancashire councils. Additionally performance will be measured by comparing the interest earned on investments against budgeted income.

**Benchmarks and calculation methodology with regard to risk and return**

**Debt management**

The council currently has a comparatively low level of debt.

**Investment**

The performance of investment earnings will be measured against budgeted investment income.

**Treasury Management Risks**

Risks relating to Treasury Management activities are recorded and reviewed on the council's risk register.

## **SCHEDULE C**

### **TMP 3: Decision-making and analysis**

All executive decisions on capital/project financing, borrowings and investments are delegated to the Director of Resources who will fulfil such responsibility in accordance with the CIPFA Code and Guide.

There shall be no restriction on the sources of borrowing with the exception of any statutory restriction.

The Council may use the following methods of raising capital finance:

- Public Works Loan Board
- Market borrowing
- Leasing
- Issue of local bonds

#### **Records to be kept**

The team keep records of all investment and loan transactions. The following records will be retained:

- Daily cash balance forecasts
- Dealing records for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly

#### **Processes to be pursued**

- Cash flow analysis
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer best value)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average rate, investment returns, etc.).

#### **Issues to be addressed.**

##### ***In respect of every decision made the Council will:***

- Above all be clear about the nature and extent of the risks to which it may become exposed
- Be certain about the legality of the decision reached and the nature of the transaction, and that any authority to proceed has been obtained
- Be content that the documentation is adequate both to deliver the organisation's objectives and protect its interests, and to deliver good housekeeping
- Ensure that relevant due diligence has taken place
- Ensure that counterparties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded
- Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

***In respect of borrowing and other funding decisions, the Council will:***

- Evaluate the amount, timing and maturities needed for new borrowing in relation to the organisation's planned borrowing needs (eg by use of a liability benchmark) in order to avoid borrowing too much, too little, too long or too short
- Evaluate the economic and market factors that might influence the manner and timing of any funding decision
- Consider the merits and demerits of alternative forms of funding, including options such as funding from revenue and leasing and private partnerships
- Consider the alternative interest rate bases available, the most appropriate periods to borrow and repayment profiles to use
- Consider the on-going revenue liabilities created, and the implications for the council's future plans and budgets.

***In respect of investment decisions, the Council will:***

- Consider the risks to capital and returns and the implications for the council's future plans and budgets
- Consider the need for borrowing (both the amount and period): if the investment amount or period is not necessary for treasury management liquidity purposes, the objectives and justification for the investment need to be set out clearly
- Consider the optimum period, in the light of cash flow availability and prevailing market conditions
- Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital.

***In respect of decisions regarding derivatives, the Council will:***

- Be able to demonstrate that the derivative transaction has reduced the Council's overall exposure to treasury risks. (The Council has no transactions of this nature at the current time, and has no plans to do so in the near future).

## **SCHEDULE D**

### **TMP 4: Approved Instruments, methods and techniques**

Only the approved organisations for investment shown will be used. The organisations listed may be used for the investment of the Council's surplus funds, subject to the maximum sum being invested at any one time with any one organisation not being exceeded. The decision to vary these limits being delegated to the Director of Resources and, through them, to their staff in exceptional circumstances.

#### **Specified investments**

These investments are sterling investments of not more than one-year maturity. These are low risk assets and the possibility of loss of principal or investment income is very low. The investments are defined as:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or gilt with less than one year to maturity).
- A local authority, parish council or community council.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society). These bodies will have a minimum rating as set out below.

#### **The monitoring of investment counterparties**

The credit rating of counter parties is monitored monthly. Any counterparty failing to meet the criteria will be removed from the list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Principally Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. In addition, the rating given by rating agents S & P Global Ratings, and Moody's are also considered prior to an investment. Whilst they only show an indication of the current credit position, they are being monitored on a regular basis and any significant changes will be reported to Policy and Finance Committee. It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets (Provided they are included in Fitch ratings).

The banks the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating.

The Council has a policy to only use institutions with a short term Fitch rating of F2 or above.

In addition to the Building societies and banks we use for investments, also approved for use is the United Kingdom Debt Management Office, where the Government guarantees investments.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested with these bodies. This criterion is also specified within the approved counter party criteria.

The approved organisations for investment are:

**Banks**

- Santander UK plc. \*
- Barclays Bank \*
- Bank of Scotland plc. \*
- Co-operative Bank \*
- HSBC Bank plc. \*
- Lloyds Bank plc. \*
- The Royal Bank of Scotland \*
- National Westminster Bank \*

**Building Societies**

- Coventry Building Society \*
- Leeds Building Society \*
- Nationwide Building Society \*
- Principality Building Society \*
- Skipton Building Society \*
- Yorkshire Building Society \*

**Other**

- Debt Management Office \*\*
- Other Local Authorities in the UK \*\*\*
- Police and Crime Commissioners, Fire and Rescue Services and Transport Authorities \*\*\*

**Key Treasury Investment Counterparty Limits**

\* Maturity limit for each counter party 365days

\* Maximum limit per institution £1.75m

\*\* Maximum limit per institution £5.0m

\*\*\* Maximum limit per institution £2.5m

<u>Approved Investment Counterparties</u>	<u>Time Limit</u>	<u>Cash Limit</u>	<u>Sector Limit</u>
<u>Banks</u>	<u>365 days</u>	<u>£5m</u>	<u>Unlimited</u>
<u>Building Societies</u>	<u>365 days</u>	<u>£3m</u>	<u>£5m in total</u>
<u>Government Debt Management Office</u>	<u>365 days</u>	<u>Unlimited</u>	<u>Unlimited</u>
<u>Other Local authorities in the UK</u>	<u>365 days</u>	<u>£5m</u>	<u>Unlimited</u>
<u>Police and Crime Commissioners, Fire and Rescue Services and Transport Authorities</u>	<u>365 days</u>	<u>£5m</u>	<u>Unlimited</u>

**Policy and practices relating to environmental, social and governance (ESG) investment considerations**

While ESG policies are emerging as important considerations for investors this is still a developing area. As such there is not currently an industry standard available against which organisations on the council's approved counter party list can be reliably and comparatively measured.

It is the council's policy that environmental considerations and green credentials are appraised as part of all bids for capital funding as part of the council's capital programme. This would include, for example, any future bid for funding in respect of investments that are proposed

primarily for the provision and delivery of public services (examples within the public sector being housing and regeneration).

### **Non-Specified Investments**

Non-specified investments include any other type of investments, i.e. not defined as specified above. These are sterling investments with:

- Securities admitted to the Officials List of the Stock Exchange that is guaranteed by the UK Government (such as supranational bonds).
- Gilt edged securities with a maturity of greater than one year.
- Institutions not meeting the basic security requirements under the specified investments.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a maturity of greater than one year.
- Shareholding in the Local Government Bonds Agency.

At the present time the Council has no immediate plans to invest in non-specific investments other than a maximum share in the Local Government Bonds Agency of £10k.

### **Markets in Financial Instruments Directive (MiFiD) II**

The Markets in Financial Instruments Directive (MiFiD) regime uses client 'categories' to recognise that investors have different levels of experience, knowledge and expertise. Under the regime, investors will either be retail clients, professional clients or eligible counterparties (ECPs).

The implementation of MiFiD II meant that from January 2018 all local authorities would automatically be classified as retail clients, with the option to 'opt up' to professional client status. Where professional status is required in order to deal in particular financial instruments, UK firms must first ensure that local authority clients meet a number of quantitative tests to demonstrate an appropriate level of experience, knowledge and expertise. As MiFiD II does not cover fixed term deposits, the council does not currently require professional client status.

### **Policy on the Use of Financial Derivatives**

Many local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (i.e. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk. However, previous legislation was understood to prevent the use of such tools where they were not embedded in other instruments.

The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives. The latest CIPFA Code requires local authorities to clearly detail their policy on the use of derivatives in their annual strategy.

The Council has not and does not plan to use derivatives.

### **Use of External Fund Managers**

It is the Council's policy not to use an external fund manager.

## **SCHEDULE E**

### **TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements**

It is essential for the purposes of the effective control and monitoring of the Council's treasury management activities, and for the reduction of the risk of fraud or error, for there to be clarity of treasury management responsibilities.

The principles on which this will be based are a separation of duties between:

- Policy formulation, creation and review;
- Deal transaction and execution;
- Subsequent recording and administration; and
- Audit.

#### **Delegated Powers**

All matters relating to treasury management shall be determined by Policy and Finance Committee.

All executive decisions and actions on borrowing, investment or financing shall be delegated to the Director of Resources and, through them, to their staff. Such decisions and actions are at all times to be in accordance with the treasury policy statement.

The delegation of decisions to staff will be regulated by a treasury management systems and procedure manual.

All money in the hands of the Council shall be aggregated for the purpose of treasury management and shall be under the control of the Director of Resources.

In respect of the signing of documents relating to borrowing/investments, this may only be carried out by authorised signatories of the Council.

#### **Responsibilities**

##### **The Director of Resources will:**

- Ensure compliance by treasury staff with the treasury management policy statement and that the policy statement complies with the law
- Be satisfied that any proposal to vary the treasury policy or practice complies with the law or any code of practice
- Undertake regular reviews of the treasury management function with the Head of Financial Services throughout the year
- Liaise with the Head of Financial Services and treasury management staff on treasury management decisions
- Ensure that there is an adequate internal audit function and liaise with external audit
- Act as authorised signatory of the Council.

The Director of Resources will also ensure there is proper documentation for all deals and transactions and those procedures exist for the effective transmissions of funds.

**The Head of Financial Services will:**

- Ensure that the Council's treasury management strategy is reviewed annually
- Liaise with the Director of Resources and treasury management staff on treasury management decisions
- Manage the overall treasury function
- Ensure that the treasury management systems document is reviewed at least annually
- Ensure that the organisation of the treasury management function is adequate to meet current requirements
- Ensure that staff involved in treasury management are adequately trained
- Ensure that all treasury staff are aware of the Bank of England's UK Money Markets Code
- Supervise the treasury management staff
- Ensure appropriate segregation of duties
- Ensure elected members receive appropriate reports
- Act as authorised signatory of the Council.

**The Senior Accountant will:**

- Ensure that day to day activities accord with the treasury management policy statement
- Implement the treasury management systems document
- Ensure compliance with policies, limitations and directions
- Supervise other treasury management staff
- Produce an annual report of the previous year's treasury management operations by 30 September of the following year
- Produce regular performance reports
- Maintain relationships with counterparties

**The Accounting Technician will:**

- Maintain cover in the absence of a senior accountant, under the supervision of the Head of Financial Services.

**Internal Audit will:**

- Review compliance with the approved policy and procedures
- Review division of duties and operational practice
- Assess value for money from treasury activities
- Undertake the probity audit of the treasury function.

**Policy and Finance Committee will:**

- Approve local borrowing limits
- Approve the adopted clauses, treasury management policy statement and treasury management practices and any amendments.
- Receive an annual report on the treasury management strategy before the start of the financial year and refer to full council as a 'starred' item.
- Receive an annual report by 30 September of the following year on the treasury management activity for the preceding year and refer to full council as a 'starred' item.
- Approve the selection of external service providers and agreeing terms of appointment
- Receive and review regular monitoring reports and acting on recommendations

- Receive and review borrowing and investment decisions
- Approve the division of responsibilities

**Absence cover**

In the instance of absence from any post holder from the above roles, responsibilities will move to the upwards in the organisation hierarchy, unless such responsibilities are seen as reasonable to be delegated downwards by the Director of Resources or Head of Financial Services.

**Dealing limits**

There are no set dealing limits at an individual post level, however all dealing decisions must be first approved with the Director of Resources or Head of Financial Services.

**Approved brokers**

The Council is in contact with two money brokers who act on our behalf.

Tullet Prebon (Europe) Ltd

BGC Brokers L.P (formally Sterling International Brokers)

## **SCHEDULE F**

### **TMP 6: Reporting requirements and management information arrangements**

#### **Annual review of the treasury management policies and practices**

This document will be reviewed annually and reported to Policy and Finance Committee before the commencement of each financial year

#### **Annual Capital and Treasury Management Strategy**

The Capital and Treasury Management Strategy sets out the expected capital and treasury activities for the forthcoming financial year. This Strategy will be submitted to the Policy and Finance Committee for approval before the commencement of each financial year.

#### **Prudential indicators**

Local Authorities in England and Wales are required by the Local Government Act 2003 to have regard to CIPFA's Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities. Accordingly, the following treasury management prudential indicators are set in advance of the financial year:

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt
- Upper and lower limits for the maturity structure of borrowing
- Prudential limits for principal sums invested for longer than 364 days

Should it prove necessary to amend these limits, the Director of Resources will submit the changes for approval to Policy and Finance Committee, before submission to Full Council for approval.

#### **Annual report on treasury management activity**

An annual report will be presented to the Policy and Finance Committee at the earliest practicable meeting after the end of the financial year. This report will include the following:

- Any borrowing requirements in the year
- Investments made
- Performance against the Prudential Indicators

#### **Quarterly review of treasury management activity**

The annual review is supplemented by quarterly submissions of monitoring reports to Policy and Finance Committee. These reports include coverage on the areas of:

- Any borrowing requirements in the year
- Investments made to date
- Performance to date against the Prudential Indicators
- A review of the approved organisations

#### **Management information reports**

Investment income performance is reported to the Corporate Management Team as part of the budget monitoring process

## **SCHEDULE G**

### **TMP 7: Budgeting, accounting and audit arrangements**

#### **Statutory/regulatory requirements**

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting, which is recognised by statute as representing proper accounting practices. The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services – Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

#### **Accounting practices and standards**

Due regard is given to the Statements of Recommended Practice and Accounting Standards as they apply to Local Authorities.

#### **List of information requirements of external auditors**

Each year the External auditors provide the council with its closedown working paper requirements. These are summarised below.

#### **Investment income, other gains and losses and financial costs**

- Schedule of calculations to support each element of investment/ interest revenue
- An analysis of interest paid and received, identifying bank, lease and other, with explanations for movements compared to prior year and budget
- Schedule and calculations to support each element of finance costs

#### **Investments**

- Details of investments held including nature and terms of investment
- Consideration of any impairment of the investments held

#### **Long-term borrowing and other liabilities**

- Details of any liabilities payable between 1 and 2 years, 2 to 5 years and greater than 5 years

#### **Financial instruments**

- Reconciliation of financial instruments to relevant balance sheet entries
- Evidence of review of closing balance sheet to identify any financial instruments as defined by CIPFA/ LASSAC's Code of Accounting Practice
- Evidence to support any fair value calculations that have been incorporated into the accounts

## **SCHEDULE H**

### **TMP 8: Cash and cash flow management**

The cash flow forecast for the council is prepared on a daily basis, with a forward forecast included for anticipated major receipts and payments in order to assist in investment decisions.

#### **Cash Flow Forecast Procedure**

A cash flow working spreadsheet is prepared in advance of the financial year ahead. This spreadsheet details estimated cash inflows and outflows that we expect to occur throughout the year on a daily basis. Cash flow projections from direct credit and direct debit payments can be reliably estimated in advance and entered to the spreadsheet:

##### **Direct credit payments**

These figures are generally obtained either from a written confirmation from a government department in respect of grants receivable, or in-house from the sections for whom the credits are being generated. Examples of in-house generated items are processed direct credit receipts for such items as NNDR, council tax and sundry debts.

##### **Direct debit payments**

In a similar fashion to the direct credit receipts, the majority of the direct debit payments can be anticipated prior to the date of payment. Again, these are either generated by ourselves or are collected by external bodies as per an agreement, such as the LCC precept or PWLB repayments. They can therefore be entered onto the working spreadsheet as anticipated expenditure on the particular day they become due for payment and can then be checked against the actual payment made. Examples of in-house generated items are salaries and trade creditor payments.

The Council has two main bank accounts which are currently held by the branch office of the HSBC Bank plc., 8 Castle Gate, Clitheroe, BB7 1BB. They are known as the:

- General account – Council's income
- Disbursement account – Council's expenditure

These accounts are accessed online each morning in order to:

- ensure that anticipated cash flows have taken place as expected;
- calculate a daily balance at bank so that any surplus cash balances can be invested in accordance with the treasury management approved policies and practices; and to
- monitor the liquidity of the council on an ongoing basis, ensuring that cash is available when required to meet our commitments

#### **Payment scheduling and agreed terms of trade creditors**

The direct credits and debits generated by the council are scheduled to occur on set dates, which move only in respect of bank holidays and weekends.

##### **Direct debit payments**

- Salaries and Members allowances: *15<sup>th</sup> day of the month*
- Trade Creditors: *every Monday*
- Benefit payments: *every Monday*

- Council tax refunds: *every Wednesday*

**Direct credit receipts**

- Council tax payments: *the last day of the month*
- NNDR payments: *28<sup>th</sup> of the month*
- Sundry debtor payments: *30<sup>th</sup> of the month*

The terms of payment for the council's trade creditors are generally within 30 days of receipt of invoice, unless specific terms have otherwise been agreed.

**Banking of funds**

All payments to the council must be paid in to the central collection office as soon as possible after receipt. Income is banked by the collection office on a daily basis using a third party contractor.

## **SCHEDULE I**

### **TMP 9: Money laundering**

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property

#### **Procedures for establishing identity/authenticity of lenders**

The council does not accept loans from individuals.

#### **Methodology for identifying sources of deposits**

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be authorised deposit takers under the Financial Services and Markets Act 2000 unless specifically exempt from authorisation. The financial services register of the Financial Conduct Authority can be accessed through their website on **[www.fca.org.uk](http://www.fca.org.uk)**.

All transactions will be carried out by CHAPS for making deposits or repaying short-term loans. Repayments to the Public Works Loans Board for long-term debt is via a twice-yearly direct debit.

#### **Proceeds of Crime Act 2002 (POCA)**

The Proceeds of Crime Act 2002 imposes an obligation on any person or other body that undertakes a regulated activity as defined by the act to submit a Suspicious Activity Report to the National Crime Agency (**[www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk)**) if it knows or suspects that a person is engaged in, or attempting, money laundering.

#### **The Money Laundering Regulations 2007**

The money laundering regulations require all firms undertaking certain financial activities (see Schedule 1 of regulation) to apply risk-based customer due diligence measures and other steps to prevent your services from being used for money laundering or terrorist financing.

The Principal Auditor has been nominated the council's money laundering reporting officer and in their absence, the Head of Financial Services. The council will also train the following staff in being diligent to be alert for suspicious transactions: -

- treasury management
- collection office
- other staff as seen appropriate

Suspicious transactions will be investigated as far as the Council is in a position to do so or it is appropriate for the Council to do so, and if doubts remain, these transactions will then be reported to the National Crime Agency.

## **SCHEDULE J**

### **TMP10: Training and qualifications**

#### **Treasury management officers**

The Council recognises the importance that all treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Performance Appraisal system which aims to identify the training requirements of any individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Director of Resources together with the Head of Financial Services, to ensure that all staff involved in the service receives the necessary training.

#### **Details of approved training courses**

Treasury Management courses run by such bodies as CIPFA, money brokers, or other recognised bodies.

#### **Training and qualifications of treasury staff**

##### *Qualifications*

- Chief Executive - CIPFA Qualified
- Director of Resources – CIPFA Qualified
- Head of Financial Services – CIPFA Qualified
- Senior Accountant –CIPFA Qualified
- Accounting Technician – AAT Qualified

##### *Knowledge and Skills Schedule*

The appropriate level of skills, knowledge, qualifications and experience commensurate with officer responsibilities contained in schedule E of this document is set out in job descriptions and person specifications for each position on the council's establishment.

Officers qualified with the Chartered Institute of Professional Accountancy (CIPFA) are required to continue to develop and maintain knowledge and skills under the institutes Continuing Professional Development (CPD) scheme.

The council's internal Performance Appraisal scheme is a formalised process that requires documentation of any identified training and development needs. These are categorised into a training schedule that is ranked in terms of high, medium and low priority, and that includes a plan for the method of training that is to be provided, along with ~~and~~ a target date for completion.

#### **Training of those charged with governance**

Training will be provided for those elected members sitting on the Policy and Finance Committee. Detailed explanations of all reports are given, as they are scrutinised by committee, by the Director of Resources in order to ensure full understanding.

## **SCHEDULE K**

### **TMP11: Use of external providers**

#### **Details of contracts with service providers, including bankers, brokers, consultants and advisers**

##### **Bankers**

Name of supplier of service is HSBC Bank plc.

##### **Money-broking services**

The Council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers. The brokers used are listed at schedule E – *TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements*. None of these services are under formal contracts and are used only on an ad-hoc basis.

##### **Consultants'/advisers' services**

The Council do not have any contracted services, or use, external consultants or advisers.

#### **Procedures and frequency for tendering services**

##### **Banking services**

Banking services are reviewed on a regular basis to ensure that the council is receiving value for money.

## SCHEDULE L

### TMP12: Corporate governance

#### **List of documents to be made available for public inspection**

The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions. It has adopted the CIPFA Code of Practice on Treasury management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

The following documents are available for public inspection via Council website or in person:

- Treasury Management Policy Statement
- Capital and Treasury Management Strategy
- Annual Treasury Report
- Quarterly Monitoring Report
- Annual Statement of Accounts
- Revenue and Capital Budget
- Agendas and minutes of all committee meetings.

# ANNEX 1

## Treasury Management and Systems Document

### Introduction

Ribble Valley Borough Council has adopted a treasury management policy that regulates the framework for the operation, review and performance assessment of the treasury management function. This is in accordance with the Code of Treasury Management for Local Authorities, produced by the Chartered Institute of Public Finance and Accountancy. In accordance with the Code of Practice, a treasury systems document has been prepared as follows.

### Cash flow record

A cash flow working spreadsheet is prepared in advance of the financial year ahead. This spreadsheet details the main estimated cash inflows and outflows that we expect to occur throughout the year on a daily basis.

The Council has two bank accounts which are currently held by the branch office of the HSBC Bank plc., 8 Castle Gate, Clitheroe BB7 1BB. They are known as:

- General account – Council's income
- Disbursement account – Council's expenditure

These accounts are accessed online each morning in order to:

- ensure that anticipated cash flows have taken place as expected;
- calculate a daily balance at bank so that any surplus cash balances can be invested in accordance with the treasury management approved policies and practices; and to
- monitor the liquidity of the council on an ongoing basis, ensuring that cash is available when required to meet our commitments

### ***Direct Credit Receipts***

An anticipated direct credit figure can often be identified before the actual receipt date. The reason being that the majority of the direct credits received are generated either by ourselves or by grant payments. They can therefore be entered onto the cleared balance sheets as anticipated income on the particular day they are expected as an anticipated cash inflow. These are also then checked against actual income on the day of receipt.

These figures are generally obtained either from a written confirmation from a government department in respect of grants receivable, such as revenue support grant, or in-house from the sections for whom the credits are being generated. Examples of in-house generated items are processed direct credit receipts for such items as NNDR, council tax and sundry debts:

### ***Direct Debit Payments***

In a similar fashion to the direct credit receipts, the majority of the direct debit payments can be anticipated prior to the date of payment. Again, these are either generated by ourselves or are collected by external bodies as per an agreement, such as the LCC precept or PWLB repayments. They can therefore be entered onto the cleared balance sheets as anticipated expenditure on the particular day they become due for payment and can then be checked against the actual payment made. Examples of in-house generated items are salaries and trade creditor payments.

## **Investments**

In accordance with the Council's treasury management policy, any surplus funds identified on the cleared balance sheets can be invested.

Investment decisions are to be made with regard to the security of the principal sums being invested and to the liquidity of the council before considering the yield.

Funds will therefore only be placed with authorised counterparties and with care being taken not to exceed the authorised limits per institution for the total sums invested.

The term of the investment is not to exceed 365 days and will be decided upon after considering future cash flows to ensure that funds are available to meet the council's short-term commitments.

Once the above appraisals have been completed contact can then be made with available counterparties either directly or through use of one of the council's authorised brokers to secure the most favourable interest rates available for the investment amount and term.

Contact details for treasury departments and approved brokers are available in the cash flow file.

Investments are not to be finalised without prior approval from the Head of Financial Services or the Director of Resources.

All supporting documentation is attached to a temporary investment sheet where details of the counter parties to whom our monies are being lent are recorded

- Name of borrower;
- Borrower's bank details, including sort code and account number;
- Amount to be invested;
- Term of investment, i.e. call, fixed etc.; and
- Rate of interest payable by the borrower.

It should be noted that the interest rate is changeable other than fixed term investments.

Once details have been received an electronic fund transfer (EFT) can be made via the HSBC.net system (separate system notes kept). This transfers funds from our disbursements bank account to the counter party's bank account.

***The Head of Financial Services and the Director of Resources (or in their absence the Chief Executive), needs to sign the authorisation sheet obtained from the HSBC.net system.***

A "direct banking transaction" creditor voucher should be prepared to charge the investment amount to the general ledger fund.

Details of the investment should also be recorded in the investment register.

### **Investment with the HSBC bank money market**

Another alternative method of placing surplus funds is with the money market team of our bank.

The procedure is as before with the exception that no EFT is necessary to our branch. A transfer is made from our disbursements account by FX system direct on the HSBC.net system. The Head of Financial Services and the Director of Resources (or in their absence the Chief Executive), sign the transaction sheet obtained from the HSBC.net system on the day the transaction takes place.

### **Repayment of investments**

If the investment needs to be repaid the necessary notice needs to be given to the particular counter party, either direct in the case of investments held by the various banking institutions or via the relevant broker

All repayments should be made automatically on the relevant day direct to our general bank account. The repayment date is recorded on the temporary investment sheet and in the investment register. The amount of interest due should be calculated and also entered on these records. Once the monies are credited to our bank account the collection office will credit these amounts to the relevant general ledger account code from the bank statements (they require the split between the principal and interest paid).

The internal audit section requires these completed records on a monthly basis to carry out a relevant audit.

### **Temporary loans**

If a deficit cash balance is estimated on the cleared balance sheet it may be necessary to arrange for a temporary loan. This will depend on the deficit and the charges made by HSBC on the deficit as the council no longer has an overdraft facility. An agreed maximum limit for short-term borrowing is set annually.

### **Arranging a temporary loan**

A temporary loan can be made via our brokers in a similar fashion to making an investment. Details of the counter parties are received by telephone from our brokers who arrange for the monies to be credited direct to our bank account. The branch office will usually confirm when the monies are received, if so requested. The monies will appear on the Council's bank statements and the collection staff will credit the amount to the appropriate general ledger code.

A record of the loan is made on a temporary loan sheet and in the loans register. A confirmation letter is sent direct to the counter parties confirming the loan details.

### **Repaying a temporary loan**

Once there are sufficient funds available to repay the loan the relevant broker should be contacted to inform the counter parties of the repayment, as per the original agreed terms of the loan.

Interest due on the loan should be calculated and entered on the temporary loan sheet and in the loans register. The loan, including interest, can then be repaid by electronic fund transfer using the HSBC.net system.

A confirmation letter should be sent direct to the counter parties indicating how interest due was calculated, and a Direct Payment Transaction sheet completed, that separates out principal and interest elements of the repayment to ensure the amounts are charged to the relevant general ledger account.

### **Long-Term borrowing**

The council's Borrowing and Debt Strategy is set out within the council's Capital and Treasury Management Strategy. The strategy is reviewed by Policy and Finance Committee in advance of the financial year prior to approval by Full Council.

Generally long-term borrowing, which is classified as borrowing for a period of between 1-60 years, is normally only used to finance capital expenditure or replace maturing debt.

The Council currently has a policy that limits the methods of raising finance and an annual maximum limit for long-term borrowing. It is usual that long-term borrowing needs are met from the Public Works Loan Board (PWLB). This has been because PWLB interest rates:

- Are below money market rates;

- Loans are generally available for longer periods; and
- PWLB commission rates are minimal.

**PWLB borrowing**

***Application for Loans***

The PWLB lending facility is operated by the UK Debt Management Office (DMO) on behalf of HM Treasury. The facility provides loans to local authorities, and other specified bodies, from the National Loans Fund, operating within a policy framework set by HM Treasury. This borrowing is mainly for capital projects.

Lending arrangements are subject to change and are made in accordance with the operational circular in force at the time of the loan application.

At the time of reviewing these policies and practices the arrangement in force are set out in circular 163, which is available to download from the DMO’s website:

[https://www.dmo.gov.uk/media/17764/dmo\\_operational-circular-163\\_oct21\\_clean.pdf](https://www.dmo.gov.uk/media/17764/dmo_operational-circular-163_oct21_clean.pdf)  
[Lending Arrangements \(dmo.gov.uk\)](https://www.dmo.gov.uk)

All loans and investments are approved by the Director of Resources or the Head of Financial Services, or in the absence of both, the Chief Executive.

The DMO will accept loan applications only from staff duly nominated by the authority’s Chief Finance Officer and any change must be submitted on the Local Authority Authorisation Form which is available from the DMO website:

[https://www.dmo.gov.uk/dmo\\_static\\_reports/Local%20Authority%20Authorisation%20Form.pdf](https://www.dmo.gov.uk/dmo_static_reports/Local%20Authority%20Authorisation%20Form.pdf)

Where nominations are to be refreshed, a new, complete list of names is required. Current authorisations are detailed below:

Designation	Authorised to confirm changes	Authorised to Transact
Chief Executive	YES	YES
Director of Resources	YES	YES
Head of Financial Services	YES	YES
Senior Accountant	NO	YES
Accounting Technician	NO	YES

**Reconciliation**

A monthly reconciliation is made between transactions in the general ledger and transactions recorded in the investment and loans register and PWLB spreadsheet.

## **RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE**

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meeting date: 28 MARCH 2023  
title: CAPITAL AND TREASURY MANAGEMENT STRATEGY  
submitted by: DIRECTOR OF RESOURCES  
principal author: VALERIE TAYLOR

### 1 PURPOSE

- 1.1 To seek member approval for the Council's Capital and Treasury Management Strategy for the 2023/24 financial year.

### 2 BACKGROUND

- 2.1 Local authorities in England and Wales are required by the Local Government Act 2003 to have regard to both CIPFA's Code of Practice on Treasury Management in the public services and to CIPFA's Prudential Code for Capital Finance in Local Authorities.
- 2.2 It is a key principle of the Code of Practice on Treasury Management that public service organisations should put in place comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- 2.3 The Prudential Code imposes on local authorities clear governance procedures for the setting and revising of a range of prudential indicators that are designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.
- 2.4 There is a requirement for the council to have in place an approved Capital Strategy, which due to the very close links to Treasury Management we hold as the Capital and Treasury Management Strategy.

### 3 STRATEGY REVIEW

- 3.1 A full review of the strategy has been undertaken and is presented at Annex 1 with tracked changes.
- 3.2 The Strategy reflects the linkage between asset management, the capital programme and our treasury management activities and is intended to set the framework for all aspects of the Council's capital expenditure including planning, management, prioritisation, funding, monitoring and outcomes.
- 3.4 It also provides the policy framework for the engagement of the council with financial markets in order to fund its capital programme, maintain the security of its cash balances and protect them from credit, liquidity and interest rate risk.

### 4 CONCLUSION

- 4.1 The Capital and Treasury Management Strategy has been reviewed and updated and is attached for approval.
- 4.2 Elements of the document have previously been approved as part of the budget setting process, but here they are brought together under a single strategy.
- 4.3 The strategy requires approval of Full Council.

5 RISK ASSESSMENT

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

- Resources – the strategies aim to safeguard the interests of the council and aim to help demonstrate how the council will operate in dealing with capital and treasury management activities.
- Technical, Environmental and Legal – it is a requirement for the council to follow the stipulations of the CIPFA Prudential and Treasury Management Codes.
- Political - none
- Reputation – the production of this strategy provides transparency to the council's decision making process and management of the activities involved in capital and treasury management.
- Equality and Diversity - none

6 RECOMMENDED THAT COMMITTEE

6.1 Recommend to Council the Capital and Treasury Management Strategy as set out in Annex 1.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF28-23/VT/AC  
MARCH 2023



Ribble Valley  
Borough Council

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[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)

# Capital and Treasury Management Strategy 2023/24



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## Introduction and Background

The Prudential Code requires authorities to self-regulate the affordability, prudence and sustainability of their capital expenditure and borrowing plans, by setting estimates and limits, and by publishing actuals, for a range of prudential indicators.

The Prudential Code has been developed alongside the Treasury Management Code and there is a great deal of interaction between the two codes. Compliance with both codes is a statutory requirement for local authorities in the UK.

The Prudential Code imposes on local authorities clear governance procedures for setting and revising of prudential indicators, and describes the matters to which an authority will have regard when doing so. This is designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.

In December 2017 CIPFA issued an update to the Prudential Code requiring that authorities should have a Capital Strategy either as a standalone document or integrated within existing strategy documents, with the purpose of establishing a long-term direction for the management and use of capital resources.

In order to allow us to produce a meaningful capital programme that meets the priorities identified in our Corporate Strategy, we must ensure that we have robust processes in place for potential projects to be proposed, evaluated and prioritised, and for approving the programme and the resources to fund it.

A clear process has been produced to demonstrate the information required from Heads of Service when proposing projects and how such proposals are then taken forward and prioritised against each other, and against the resources available to the council to take such projects forward.

As well as considering the projects that the council wish to see taken forward, the manner in which these projects are financed must also be carefully considered, particularly the long-term implications around borrowing, internally or externally, on the revenue budget.

This Strategy is intended to set the framework for all aspects of the Council's capital expenditure including planning, management, prioritisation, funding, monitoring and outcomes.

It also provides the policy framework for the engagement of the council with financial markets in order to fund its capital programme, maintain the security of its cash balances and protect them from credit, liquidity and interest rate risk.

Under the Prudential Code and Treasury Management Code, the council is required to produce a strategy on proposed treasury management activities. This requirement forms part of this strategy document.

## Introduction and Background

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The overall strategy maintains a strong and current link to the Council's priorities and to its key strategy documents notably the Corporate Strategy and Medium Term Financial Strategy.

## Objectives and Strategic Approach

The council's Corporate Strategy provides the overall direction for the Strategy.

The Corporate Strategy sets out the strategic direction of the council, providing a focus to ensure that the services the council delivers meet the needs of its communities. It is one of the council's most important documents setting out those areas identified for focused improvement over future years.

The council's Vision continues to be that we aim to ensure that the Ribble Valley is:

### OUR VISION

**An area with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors.**

We believe that this Vision reflects our shared aim for the Borough, which has the highest quality of environment for those who live in and visit the area. It recognises that people must have a high quality of life; that suitable homes are available to meet their diverse needs and that they should be safe and feel safe. People should also be able to access the best services without having to travel long distances to receive them.

The role of the council's financial planning process, including this Capital and Treasury Management Strategy, is to support the achievement of the council's Corporate Strategy.

In order to deliver its Vision and provide a focus for how it delivers services, the council has agreed a set of five corporate ambitions. The council's ambitions are deliberately limited to focus attention over the life of the Corporate Strategy. Each ambition has a number of objectives, underlying actions, and key measures of success, which should allow progress towards the achievement of the ambition to be monitored.

Above all, the ambition **'We aim to be a well-managed council providing efficient services based on identified customer needs'** overarches all of our ambitions, whilst recognising the importance of securing a diverse, sustainable economic base for the Borough. The 5 ambitions are driven by local needs with consideration to national priorities, and are listed below.

- To ensure a well-managed council providing efficient services based on identified customer needs.
- To sustain a strong and prosperous Ribble Valley.
- To help make people's lives safer and healthier.
- To protect and enhance the existing environmental quality of our area.
- To match the supply of homes in our area with the identified housing needs.

**Objectives and Strategic Approach**

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Our work under Treasury Management, whilst touching on the achievement of all ambitions, is best demonstrated as helping us to meet the ambition of ensuring that we are a well-managed council providing efficient services based on identified customer needs.

# Asset Management Planning

## Planning Process

This council own a number of properties, with ownership arrangements varying from being an owner occupier to acting as landlord with a licensed occupier. As a result, asset management obligations for each facility vary widely.

Properties are regularly checked and inspected, helping to ensure adequate maintenance, but also helping to extend the asset lives.

While the survey phase is an objective assessment of the conditions of the assets, the prioritisation, planning and allocation of items will vary according to a range of factors.

By undertaking repairs before components go wrong, planned preventative maintenance can have a positive impact on business continuity by reducing down time and keeping facilities operational.

Major items of work that fall within the capital expenditure classification are planned in advance and resources bid for as part of the capital programme scheme bidding process referred to in the next section of this strategy document.

The council utilise the Technology Forge system for recording asset management planning activity.

## Vehicles and Plant

In a similar manner to the planning process covered for the council's property portfolio, a long term plan is developed and reviewed annually of the condition and planned replacement years for the council's vehicle fleet and other items of plant.

Vehicle and plant replacement is planned so that assets are replaced on a rolling basis to help ensure no 'peak years' arise which could put undue pressure on the financing of the capital programme. This is especially pertinent in the review of the replacement programme for the council's refuse collection vehicle fleet, with current plans showing the replacement of one vehicle per annum.

The review of these assets is driven by the relevant Heads of Service together with staff responsible for fleet maintenance.

## Capital Expenditure

### Definition

Expenditure is only capitalised where it is on an asset that will provide the council with control of the resulting economic benefit or service potential and has a measurable cost, or where it is revenue expenditure allowed to be funded by capital under statute (REFCUS) or under a capitalisation direction in accordance with the Local Government Act 2003. Expenditure under the latter categories would not normally result in recognition on the council's balance sheet or asset register.

For this council, the main example of revenue expenditure allowed to be funded by capital under statute (REFCUS) would be Disabled Facility Grants.

In order to count as capital expenditure, new assets or additions to assets must have a life of more than one year.

The council has a policy of not treating anything with an initial value below £10,000 as capital expenditure.

### The Capital Programme

The future capital programme 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.

Such bids are examined against the council's priorities and for affordability.

As part of this bidding process, occasionally some schemes may be seen as a priority and are brought forward to an earlier financial year.

Should a capital scheme opportunity be identified outside this normal bidding process, such a scheme would first be considered by the Corporate Management Team, then the relevant service committee and finally the Policy and Finance Committee.

### The Capital Scheme Bidding Process

Each year around August, all Heads of Service are asked to consider their service area and identify any potential capital schemes. This is principally with a view to it being included in the fifth year of the future capital programme, but occasionally scheme bids are highlighted as a more pressing need, with a request that earlier programming be considered.

In the latest bidding rounds, all committees were asked to put forward proposals for any new capital schemes for inclusion in a five-year capital programme for [2022/23 to 2026/27](#) [2023/24 to 2027/28](#).

~~In light of the uncertainty regarding local government funding beyond 2022/23 and the impending fair funding review, all new bids, across all committees were set aside until later in the 2022/23 financial year for consideration once there is more certainty around local government funding. As a result, a three-year capital programme for 2022/23 to 2024/25 is now in place.~~

The proposals that are put forward by Heads of Service in their bids are based on a variety of sources such as:

- Past discussions that have taken place at service committees
- Known current service pressures
- Anticipated future service pressures
- Central Government expectation
- Specific funding received from Central Government
- Legislative requirements

As part of the bidding process, a standard pro-forma is completed which allows for the provision of information in a standard format and ensures that all relevant information can be considered and compared. The details requested cover:

- Scheme Name
- Head of Service
- Service Area
- Brief Description of the Scheme
- Environmental Considerations
- Revenue Implications
- Alternatives that have been Considered
- Timescales for Completion
- Any Risks to Completion
- Capital Costs
- Any External Funding available

### **The Approved ~~Three~~Five Year Capital Programme**

As previously mentioned the overall capital programme ~~is for a five~~has moved to a ~~three~~ year period, ~~pending the outcome of the fair funding review~~, and whilst the coming financial year is fixed, the remaining ~~two~~four years of the capital programme remain in a relatively fluid state and are open to review on an annual basis.

## Capital Financing

The table below provides a summary by committee of the future ~~three~~five-year capital programme from ~~2022/23 to 2024/25~~2023/24 to 2027/28.

**Approved Capital Programme for ~~2022/23 to 2024/25~~2023/24 to 2027/28**

<b>Committee</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>TOTAL</b>
<b>Community Services Committee</b>	1,095,750	546,680	793,340	891,680	1,023,140	<b>4,350,590</b>
<b>Economic Development Committee</b>	54,750	0	0	0	0	<b>54,750</b>
<b>Health and Housing Committee</b>	2,933,040	513,500	443,000	443,000	443,000	<b>4,775,540</b>
<b>Planning and Development Committee</b>	26,420	0	0	0	0	<b>26,420</b>
<b>Policy and Finance Committee</b>	522,550	94,300	188,900	43,600	69,760	<b>919,110</b>
<b>TOTAL</b>	<b>4,632,510</b>	<b>1,154,480</b>	<b>1,425,240</b>	<b>1,378,280</b>	<b>1,535,900</b>	<b>10,126,410</b>

**Current and Longer-Term Priority Areas**

Whilst not currently within the approved ~~three~~five-year capital programme, there are a number of priority areas where there is potential that the council may incur future capital expenditure.

For ongoing commitments, the capital programme currently largely consists of replacement vehicles and plant and it is anticipated that this is likely to continue in the longer term.

The council will continue to review service provision and the adequacy of its assets in meeting the service demands of the borough's residents. In the long term any forecast changes to the level of, or manner in which services are provided will be considered proactively by service committees, together with any potential consequential capital investment that may be needed.

Affordability, including from the perspective of revenue impacts, plays a key part in the development of the capital programme and would continue to be a paramount consideration.

# Capital Financing

## Funding

The council has always sought to maximise funding for capital, including any from revenue sources.

The council's funding policy has been to set programmes which address its short-term and medium-term priority actions and to fund these by utilising prudential borrowing, capital receipts (both in hand and anticipated in year) and earmarked reserves such as the Business Rates Growth Reserve, VAT Shelter Reserve and New Homes Bonus Reserve, in a corporate approach, thus providing the maximum investment position.

Earmarked reserves, Central Government Disabled Facility Grant funding and borrowing are the main sources of financing for the current capital programme.

With the continued uncertainty around local government funding it is difficult to forecast which specific resources will be used to finance capital in the longer-term, other than for there to be an even greater reliance on our earmarked reserves.

## External Grant Funding

The use of external grant to fund schemes has become increasingly scarce over recent years. The only currently secured source of external funding is in relation to the council's statutory obligations under Disabled Facility Grants [and the use of S106 monies](#).

~~The refurbishment of Mardale Playing Field Changing Rooms is a scheme in the capital programme which will rely on the ability to source external funding. Whilst this scheme is not planned to take place until 2024/25, the availability of external funding seen to date in respect of other schemes is a cause for concern.~~

No change in the availability of external grant funding towards capital schemes is identified at this time, which in turn places added pressure on the council's earmarked reserves, which increasingly offer the only viable means of funding for most schemes in the capital programme – in the medium term and longer term.

However, wherever possible the council will always strive to identify external funding as the first option of funding schemes within the capital programme.

## Capital Financing

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### Capital Receipts

With a low base of assets and no longer-term surplus assets identified, the scope for income from capital receipts is minimal. This is reflected in the relatively low level of capital receipts currently being accumulated, with the majority of receipts relating to the sale of larger vehicles such as refuse collection vehicles.

The council operate a policy of only treating asset sales with a value of £10,000 or greater as capital receipts. Any sales achieving a sale value of lower than this would be credited to the service and then transferred to the Capital Earmarked Reserve to help fund future capital expenditure.

The council always looks to maximise the income it receives from the sale of surplus assets and in the case of usable capital receipts, this must be further invested in future capital schemes.

### Earmarked Reserves

There are a wide range of earmarked reserves operated by the council, and depending on the capital scheme needing to be funded, most have the potential to be used in some way to help finance the capital programme.

The council is conscious of the fine balance between the role of earmarked reserves in supporting both revenue and capital. With alternative sources of financing the capital programme reducing (notably external grants), our earmarked reserves generally offer the most viable method of financing.

The current ~~three~~five-year capital programme utilises the following earmarked reserves, ~~a number of which will be fully depleted by the end of the plan:~~

- VAT Shelter Earmarked Reserve
- Capital Earmarked Reserve
- New Homes Bonus Earmarked Reserve
- ICT Renewals Earmarked Reserve
- Vehicle and Plant Renewal Earmarked Reserve
- Fleming VAT Earmarked Reserve
- ~~Wheeled Bins Earmarked Reserve~~
- Business Rates Growth Earmarked Reserve
- ~~Transparency Grant (Equipment Earmarked Reserve)~~

New Homes Bonus Earmarked Reserve and Business Rates Growth Earmarked Reserve are currently two of the most relied on earmarked reserves, but with continued uncertainty around the future of local government finance, at this time we are unable to place any reliance on these funding streams for financing the capital programme in the longer term.

### Internal Borrowing

The use of internal borrowing to support the capital programme is currently kept to those schemes in respect of land and property. This is due to the long asset lives and therefore the year-to-year impact on revenue is minimised. This is as a direct consequence of accounting for the Minimum Revenue Provision (MRP) in line with the council's policy.

There is currently no anticipated change in the longer-term to the council's viewpoint on borrowing only for land and property assets.

### Approved Financing of the Capital Programme for ~~2022/23 – 2024/25~~2023/24 – 2027/28

The availability of resources to fund the capital programme has been a key concern, particularly with the heavy reliance that is placed on the use of earmarked reserves to fund the capital programme.

There are continued high levels of uncertainty around funding streams such as New Homes Bonus and Business Rates Growth that are set aside funds in these earmarked reserves, and also opposing pressure on these resources for supporting the revenue budget. The VAT Shelter arrangement will also end in 2022/23.

~~A number of the Earmarked Reserves that we have previously used are now coming to the point of being exhausted based on future commitments for the existing capital programme. As a result, the residual values of these Earmarked Reserves form part of the financing.~~

External funding is extensively in respect of Disabled Facility Grants ~~and an element of as yet unconfirmed external funding factored into the capital programme for the Mardale Playing Field Changing Rooms scheme in 2024/25.~~

Over the life of the current ~~three~~five-year capital programme there is borrowing in respect of ~~two schemes, being~~ residual works on Clitheroe Market Improvements (~~£78,600~~£72,600), ~~and the Clitheroe Town Centre Car Parking Scheme (£1,215,000).~~

## Capital Financing

Approved Financing of the Capital Programme for ~~2022/23 – 2024/25~~2023/24 – 2027/28

Method of Financing	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Earmarked Reserves	-1,999,942	-741,260	-600,000	-600,000	-600,000	<b>-4,541,202</b>
External Funding	-2,532,420	-393,000	-393,000	-393,000	-393,000	<b>-4,104,420</b>
Usable Capital Receipts	-27,548	-20,220	-432,240	-385,280	-542,900	<b>-1,408,188</b>
Borrowing	-72,600	0	0	0	0	<b>-72,600</b>
<b>TOTAL</b>	<b>-4,632,510</b>	<b>-1,154,480</b>	<b>-1,425,240</b>	<b>-1,378,280</b>	<b>-1,535,900</b>	<b>-10,126,410</b>

## Current Treasury Management Position

~~Borrowing through the Public Works Loans Board represents the total debt for the Council, and is gradually decreasing as payments of the principle are made year by year. It is estimated that the outstanding principle on all PWLB loans at 31 March 2022 will be £105k.~~

~~The council fully repaid its outstanding Public Works Loans Board debt of £105,197 during the 2022/23 financial year.~~

Investments at the end of the ~~2021/22~~2022/23 financial year are anticipated to be in the region of ~~£25m~~£22.5m based on current cash flow forecasts. These investments relate to monies placed with institutions on our approved counterparty list and include cash held with the council's banking provider, HSBC.

~~The estimate is subject to a great deal of uncertainty concerning the timing of coronavirus grant transactions, both in terms of grants receivable from Central Government and grants payable to local residents and businesses. The balance includes approximately £5m of grant funds for distribution, of which £2.9m is in respect of the council tax rebate grant that is forecast to be received just prior to the end of the financial year and £1.2m for the Covid-19 Additional Relief Fund (CARF) that was received in March.~~

There was no short-term borrowing on the 31 March ~~2021~~2022, and none is forecast for the 31 March ~~2022~~2023. Only very occasionally has the Council utilised short term borrowing in order to temporarily aid cash flow.

A summary of the Council's treasury position at the end of the ~~2020/21~~2021/22 financial year and that anticipated at the end of the ~~2021/22~~2022/23 financial year is summarised below.

	31 March 2022 Actual £	Actual Average Rate %	31 March 2023 Estimate £	Estimated Average Rate %
<b>Borrowing</b>				
Fixed Rate Debt - PWLB	105,197	4.99	0	n/a
<b>Total Debt</b>	<b>105,197</b>		<b>0</b>	
<b>Investments</b>				
Short Term Investments	-21,000,000	0.10	-22,500,000	2.32
Cash at bank	-4,093,461		0	

Current Treasury Management Position

	31 March 2022 Actual £	Actual Average Rate %	31 March 2023 Estimate £	Estimated Average Rate %
Total Investments	-25,093,461		-22,500,000	
Net External Debt/(Credit)	-24,988,264		-22,500,000	

The Council's current treasury position is not at risk from movements in interest rates as ~~all current any future~~ PWLB borrowing ~~to support the capital programme is~~would be on a fixed rate. Should the council choose to take any future borrowing on variable rates then this would expose the council to a greater risk from any adverse movement in interest rates.

~~The forecasted balance of PWLB debt at 31 March 2022 comprises of the following individual loans:~~

Original Loan Amount £	Term	Interest Rate	Estimated Principal Outstanding at 31 March 2022 £	Year of Final Repayment
250,000	15 years	4.75% Fixed	200	2022/23
250,000	25 years	4.88% Fixed	105,000	2032/33
		<b>Total PWLB</b>	<b>105,200</b>	

~~The total debt is summarised in the table below, showing the estimated debt maturity assuming no further borrowing is undertaken.~~

~~The maturity date is the date on which the principal amount of a note, draft, acceptance bond or another debt instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an instalment loan must be paid in full.~~

Estimated Debt Maturity Analysis as at 31 March 2022		
Maturity	£	%
Under 12 Months	200	0.19
12 Months and within 24 Months	0	0
24 Months and within 5 Years	0	0
5 Years and within 10 Years	0	0

Current Treasury Management Position

<del>10 Years and within 20 Years</del>	<del>105,000</del>	<del>99.81</del>
<del>20 Years and above</del>	<del>0</del>	<del>0</del>
<b>Total PWLB and Bond</b>	<b>105,200</b>	<b>-100.00</b>

## Interest Rates

## Interest Rates

### Prospects for Interest Rates

The Monetary Policy Committee (MPC) of the bank of England decides monetary policy decisions that influence how much money is in the economy and how much it costs to borrow, including decisions over the bank of England interest rate.

Through these decisions the MPC aims to maintain price stability within the UK and to support the economic policy of the Government, including its objectives for growth and employment.

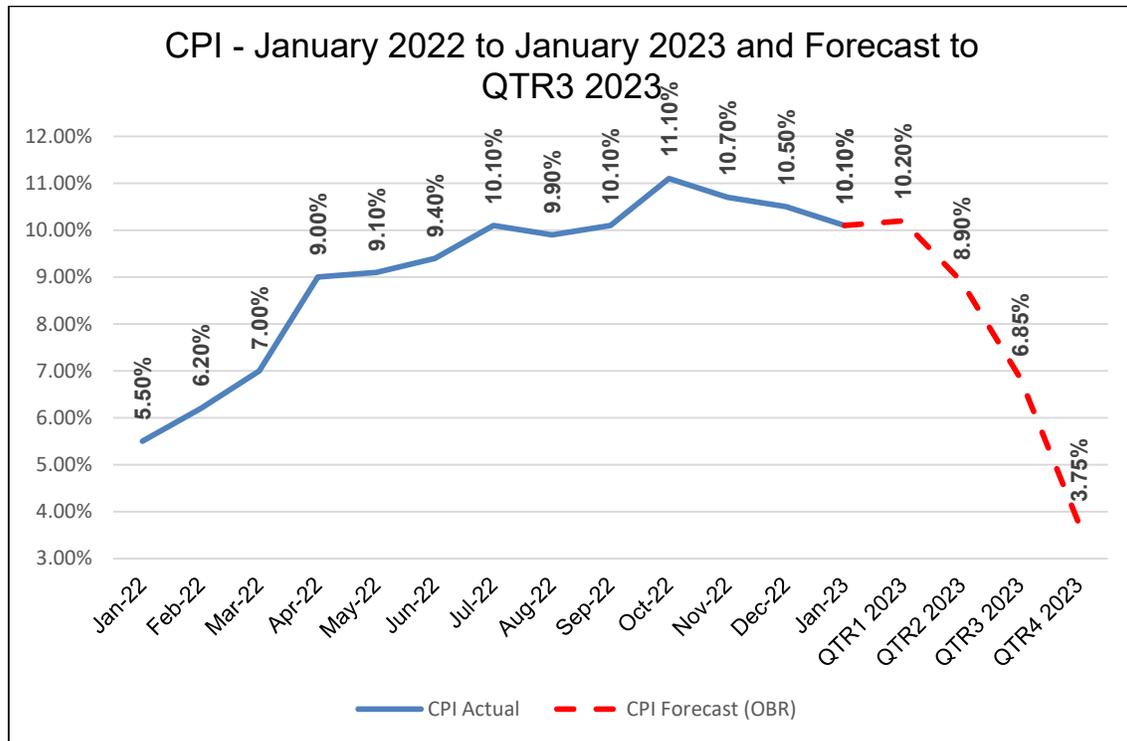
In order to maintain price stability the government has set the bank's MPC a target for an annual inflation rate of the consumer price index (CPI) of 2%.

The table below shows movements to the bank of England base rate from August 2018 through to [March 2022](#)[February 2023](#)

Date of change	Base Rate %
02/08/2018	0.75
11/03/2020	0.25
19/03/2020	0.10
16/12/2021	0.25
03/02/2022	0.50
17/03/2022	0.75
<a href="#">05/05/2022</a>	<a href="#">1.00</a>
<a href="#">16/06/2022</a>	<a href="#">1.25</a>
<a href="#">04/08/2022</a>	<a href="#">1.75</a>
<a href="#">22/09/2022</a>	<a href="#">2.25</a>
<a href="#">03/11/2022</a>	<a href="#">3.00</a>
<a href="#">15/12/2022</a>	<a href="#">3.50</a>
<a href="#">02/02/2023</a>	<a href="#">4.00</a>

~~The economy has recently been through a succession of very large shocks.~~ The MPC's decision to reduce the base rate twice in March 2020 was taken to help households and businesses through the economic slowdown caused by the coronavirus pandemic (COVID-19).

~~The most recent increases to the base rate which have returned the rate back to the pre-pandemic level.~~ ~~Increases to the base rate since that time~~ have been taken in response to rising [interest rates of inflation](#), which as shown in the [tablechart](#) below have increased rapidly over recent months:



~~The March 2022 Monetary Policy Summary and Minutes publication sets out that ‘Regarding inflation, the invasion of Ukraine by Russia has led to further large increases in energy and other commodity prices including food prices. It is also likely to exacerbate global supply chain disruptions and has increased the uncertainty around the economic outlook significantly.’ ‘Inflation is expected to increase further in coming months, to around 8% in 2022 Quarter 2, and perhaps even higher later this year. The projected overshoot of inflation relative to the 2% target to an increasing extent reflects global energy prices, with some further material contribution from tradable goods prices.’~~

~~The table above shows that the Office for Budget Responsibility (OBR) are forecasting a reduction to the rate of CPI through the 2023 year.~~

~~The minutes from the February 2023 meeting of the Bank of England’s Monetary Policy Committee (MPC) sets out that inflation was ‘projected to fall to around 8% by the middle of this year, as previous large increases in energy and other goods dropped out of the calculation of the annual rate’, and that ‘Annual CPI inflation is expected to fall to around 4% towards the end of this year’.~~

~~Given that the outlook for inflation it is currently still much higher than the 2% target it is probable possible that we will see we may see further increases to the base rate during the 2022/23 2023/24 financial year, although by how much and for how long is unknown although these will not be to the same extent of those experienced during the preceding twelve month period. Current market predictions estimate that the base rate will peak at 4.5% in the Summer of 2023.~~

## Interest Rates

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~~While these increases may result in higher levels of investment income that the council generates, it will have no immediate impact on the council's borrowing costs as these are all at fixed rates. However, service costs could see substantial increases and as a result the budget allows for a contingency of £140,000 in respect of potential inflation above that already allowed for on service budgets.~~

As a result of increases to the base rate the council's revenue budget for 2023/24 estimates that an additional £400k of investment income will be generated when compared to the 2022/23 financial year original estimate (from £50k to £450k). This is more than offset by estimated increases to the council's service costs as a result of rising inflation.

## Borrowing and Debt Strategy

The introduction of the Prudential Code and uncertainty over future interest rates increases the risks associated with the treasury strategy should the council need to increase its use of short term borrowing or make further longer term borrowing on a variable rate. As a result the Council needs to take a cautious approach to its treasury strategy.

Long term fixed interest rates and base rates are both expected to remain very volatile in the short term and difficult to predict. Taking into account changes to interest rates as they occur, the most appropriate form of borrowing will be undertaken.

We intend to continue the current policy of meeting our long-term borrowing requirements from the Public Works Loan Board (PWLB).

Principal local authorities could previously qualify for a discounted rate of borrowing with the PWLB by submitting an optional certainty return. From November 2020, principal local authorities wishing to retain access to the PWLB borrowing facility have been required to submit a certainty rate return, that includes a high-level description of their capital spending and financing plans for the following three years, as a condition of accessing the PWLB.

As a result, the Certainty Rate is now the default rate that principal local authorities borrow at from the PWLB. The council has submitted the required information and retains access to the borrowing facility.

We will engage in short-term borrowing from the money market if necessary, in order to finance temporary cash deficits, however by managing our cash flow effectively these will be kept to a minimum. Wherever possible, any loan will be taken out for periods of less than 7 days in order to minimise the interest payable and will initially be sought from other local authorities and lenders of preference through the money markets.

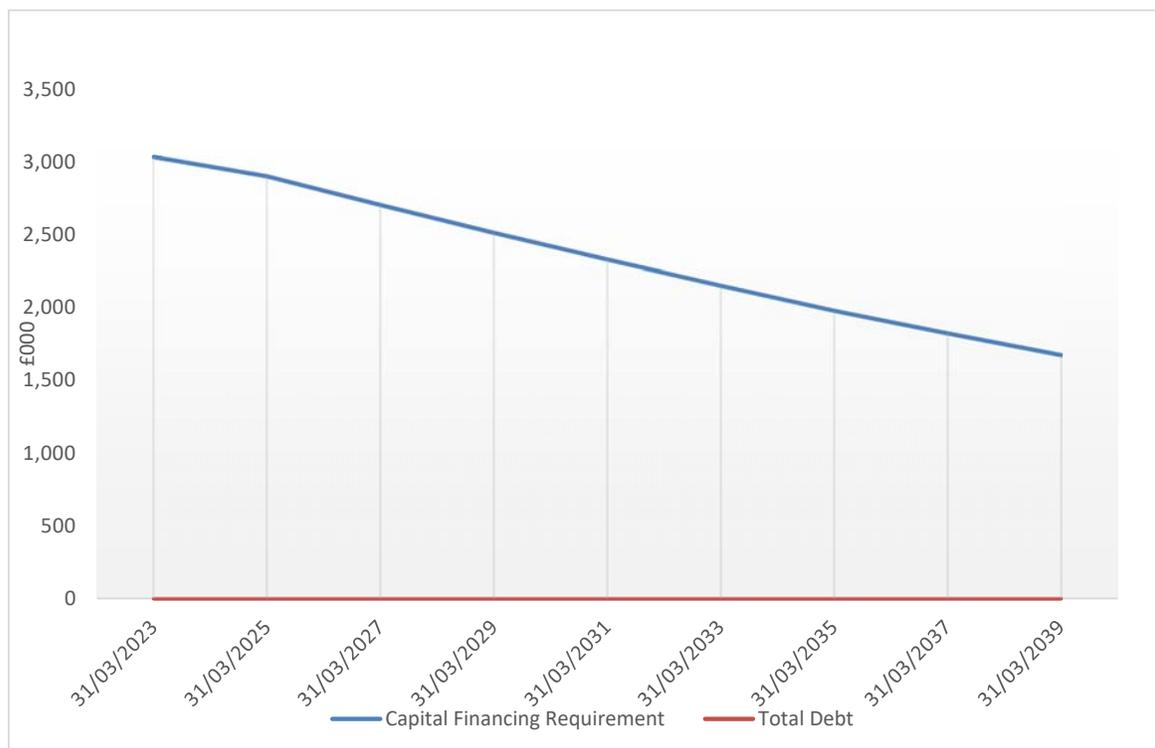
CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the council's total debt should be lower than its highest forecast capital financing requirement over the next three years.

Based on the current medium-term capital financing plans in the approved capital programme, and the existing levels of borrowing, the council's borrowing is comfortably below the capital financing requirement when forecast for the next 20 years.

It must be noted that this is a snap shot in time based on current plans and current policies around such items as Minimum Revenue Provision (MRP).

## Borrowing and Debt Strategy

## Forecast Capital Financing Requirement and Total Debt (Current Position)



### Minimum Revenue Provision (MRP) Policy Statement [2021/22](#)[2023/24](#)

The Council is required each year to pay off an element of its accumulated General Fund capital expenditure through a revenue charge, the Minimum Revenue Provision (MRP).

The Ministry of Housing, Communities and Local Government (MHCLG) issued regulations which require Full Council to approve an MRP Policy Statement in advance of each financial year. The council's MRP Policy Statement for [2022/23](#)[2023/24](#) as approved by Full Council in March [2022](#)[2023](#) is detailed below

- For capital expenditure incurred **before** 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP Policy will be to allow MRP equal to 4% of the capital financing requirement (the element of which relates to capital expenditure incurred before 1 April 2008) at the end of the previous financial year.
- For capital expenditure incurred **after** 1 April 2008, for all Unsupported Borrowing the MRP Policy will be to follow the Asset Life Method (Equal Instalment method), i.e. the MRP will be based upon the estimated life of the assets financed from borrowing.



# Investment Strategy

## Background

The council holds reserves and other cash items on its balance sheet which are invested. In investing these cash balances the council follows guidance issued by CIPFA and [the Department for Levelling Up, Housing and Communities \(formally the MHCLG\)](#).

~~The MHCLG guidance~~ [Guidance issued by the MHCLG \(now the DLUHC\)](#) requires treasury management investments to prioritise security, liquidity and yield in that order of importance. The council will not make any investments with low credit quality bodies, nor any that are defined as capital expenditure by legislation, such as company shares.

## Strategy Guidelines

The main principle governing the Council's investment criteria is the security and liquidity of its investments before yield, although the yield or return on the investment will be a consideration, subject to adequate security and liquidity. The Council must ensure that:

- It has sufficient liquidity in its movements. We continually monitor our cash flow position maintaining a balance between short term lending and availability of resources in our main HSBC account – [ensuring that maturing investments match the pattern of the council's commitments as they fall](#) ~~duetaking advantage of the interest rates that are now available on this HSBC account at 0.1% below base rate;~~
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counter parties with adequate security, and monitoring of their security.

A counter party list is maintained in compliance with these criteria and it will be revised and submitted to Council for approval as necessary. In accordance with new legislation, the proposed criteria detailed above are shown in the following subsections.

## Liquidity of Investments

The Council expects to maintain potential average investment balances of ~~£16.9m~~ [£15.6m during the 2023/24 financial year](#), subject to other service commitments meaning a fall in available cash to invest compared to that forecast as at 31 March 2022. The Council will continue to invest these balances in accordance with the Council's investment policies and prevailing legislation and regulations.

### Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets and the possibility of loss of principal or investment income is very low. The investments are defined as:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or gilts with less than one year to maturity).
- A local authority, parish council or community council.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society). These bodies will have a minimum rating as set out in our counter party criteria and as listed in our Treasury Management Policy.

In accordance with the Treasury Management Code, the Council has set additional criteria to set a limit on the time and amount of monies which will be invested with these bodies.

### Non-Specified Investments

Non-specified investments include any other type of investments, i.e. not defined as specified above. These are sterling investments with:

- Securities admitted to the Officials List of the Stock Exchange that is guaranteed by the UK Government (such as supranational bonds).
- Gilt edged securities with a maturity of greater than one year.
- Institutions not meeting the basic security requirements under the specified investments.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a maturity of greater than one year.
- Shareholding in the Local Government Bonds Agency.

At the present time the Council has no immediate plans to invest in non-specific investments other than a maximum share that it already holds in the Local Government Bonds Agency of £10k.

### Policy on the Use of Financial Derivatives

Many local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (i.e. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk. However, previous legislation was understood to prevent the use of such tools where they were not embedded in other instruments.

The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives.

## Investment Strategy

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The latest CIPFA Code requires local authorities to clearly detail their policy on the use of derivatives in their annual strategy.

The Council has not and does not plan to use derivatives.

### **The Monitoring of Investment Counter parties**

The credit rating of counter parties is monitored monthly. Any counter party failing to meet the criteria will be removed from the approved counterparties list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. Whilst they only show an indication of the current credit position, they are being monitored on a regular basis and any significant changes will be reported to Policy and Finance Committee.

The banks and building societies the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating. The Council has a policy to only use institutions with a short-term Fitch rating of F2 or above.

In addition to the building societies and banks we use for investments, also approved for use is the United Kingdom Debt Management Office, where the Government guarantees investments.

### **Business Model for Holding Investments**

Under International Financial Reporting Standard 9, the accounting for certain investments depends on the council's "business model" for managing them.

The council holds investments to collect contractual cash-flows and as such these investments would not result in changes in market value having to be a charge against the Council Tax at year end.

### **Long-Term Investments**

The Treasury Management code requires that where an authority invests, or plans to invest, for periods longer than one year, then an upper limit for investments maturing in excess of one year is set. This council has a policy of not investing for periods of longer than 1 year.

### **Use of External Fund Managers**

It is the Council's policy not to use an external fund manager.

## Prudential Code

### The Prudential Code

In line with the relevant legislation the council has adopted the Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management in the Public Services Code of Practice (2021) as setting the framework of principles for its treasury management activities. In accordance with the requirements of these codes the council produces each year prudential indicators which provide a framework for the prudent management of its treasury management including limits with regard to certain types of activity such as borrowing. The indicators below are a consequence of the activities set out within this strategy.

### Capital Expenditure

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

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

The actual capital expenditure that was incurred in 2021/22 is shown alongside the current and future years that are recommended for approval:

Capital Expenditure					
Committee	Actual Capital Expenditure for 2021/22 £	Forecast Capital Expenditure for 2022/23 £	Forecast Capital Expenditure for 2023/24 £	Forecast Capital Expenditure for 2024/25 £	Forecast Capital Expenditure for 2025/26 £
Community Services Committee	430,510	844,060	1,095,750	546,680	793,340
Economic Development Committee	7,950	55,000	54,750	0	0
Health and Housing Committee	391,039	1,397,630	2,933,040	513,500	443,000

## Prudential Code

<b>Capital Expenditure</b>					
<b>Committee</b>	<b>Actual Capital Expenditure for 2021/22 £</b>	<b>Forecast Capital Expenditure for 2022/23 £</b>	<b>Forecast Capital Expenditure for 2023/24 £</b>	<b>Forecast Capital Expenditure for 2024/25 £</b>	<b>Forecast Capital Expenditure for 2025/26 £</b>
Planning and Development Committee	0	0	26,420	0	0
Policy and Finance Committee	63,822	88,920	522,550	94,300	188,900
<b>Total</b>	<b>893,321</b>	<b>2,385,610</b>	<b>4,632,510</b>	<b>1,154,480</b>	<b>1,425,240</b>

### Financing Costs

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

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

The table below summarises our net financing costs that were shown in the statement of accounts for the 2021/22 financial year, and those forecast for the current and future years.

The calculation turns to a net financing income position from 2022/23 onwards particularly due to the levels of forecast investment income, but also as the council no longer have any external borrowing after 2022/23.

<b>Financing Costs</b>				
<b>2021/22 Actual £</b>	<b>Forecast for 2022/23 £</b>	<b>Forecast for 2023/24 £</b>	<b>Forecast for 2024/25 £</b>	<b>Forecast for 2025/26 £</b>
98,024	-455,287	-347,366	-147,716	-99,794

### Net Revenue Stream

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

Net Revenue Stream				
2021/22 Actual £	Forecast for 2022/23 £	Forecast for 2023/24 £	Forecast for 2024/25 £	Forecast for 2025/26 £
-9,525,205	-8,404,768	-9,729,233	-9,665,896	-9,885,900

### Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2021/22 are shown in the table below. This indicator uses the Financing Costs calculated above as a percentage of Net Revenue Streams, also calculated above.

It should be noted that the calculation of these indicators relies heavily on the forecast of future financial support from the government. As members will be aware there is a substantial amount of uncertainty with regard to most elements of local government finance.

Once again, the minus percentage figures from 2022/23 onwards reflect the levels of forecast investment income and also the fact that the council will have no external borrowing after 2022/23.

Financing Costs to Net Revenue Stream				
2021/22 Actual £	Forecast for 2022/23 £	Forecast for 2023/24 £	Forecast for 2024/25 £	Forecast for 2025/26 £
1.0%	-5.4%	-3.6%	-1.5%	-1.0%

## Prudential Code

**Capital Financing Requirement**

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

In accordance with best professional practice, the Council does not associate borrowing with particular items or types of expenditure. The council has an integrated capital and treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

We have, at any point in time, a number of cash flows, both positive and negative, and manage our treasury position in terms of our borrowings and investments in accordance with our approved treasury management strategy and practices.

In day-to-day cash management we make no distinction between revenue cash and capital cash. External borrowing (of which the council has none after 2022/23) arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirements reflects the authority's underlying need to borrow for a capital purpose.

<b>Capital Financing Requirement</b>				
<b>2021/22 Actual £</b>	<b>Forecast for 2022/23 £</b>	<b>Forecast for 2023/24 £</b>	<b>Forecast for 2024/25 £</b>	<b>Forecast for 2025/26 £</b>
3,141,032	3,036,143	3,006,109	2,903,825	2,803,619

**External Debt**

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

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

The council made an early repayment of its external borrowing during 2022/23, and so hold no external borrowing after the 2022/23 financial year. Whilst external debt was held for part of the 2022/23 financial year, the position shown below for 2022/23 is as at the end of the financial year.

External Debt					
	2021/22 Actual £	Forecast for 2022/23 £	Forecast for 2023/24 £	Forecast for 2024/25 £	Forecast for 2025/26 £
<b>PWLB Borrowing</b>	105,197	0	0	0	0

### Gross Debt and Capital Financing Requirement

The Prudential Code states that in order to ensure that over the medium term, debt will only be for a capital purpose, the council should ensure that debt doesn't, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

I can report that the council had no difficulty meeting this requirement in 2021/22, nor are any difficulties envisaged for 2022/23 or the next three years. This view takes into account current commitments, existing plans and the proposals in the Council's budget report.

### The Authorised Limit

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

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

The authorised limit for external debt is the upper limit on the level of gross external indebtedness, which must not be breached without council approval. It is the **worst-case scenario**.

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

The limit separately identifies borrowing from other long-term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to me, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities, in accordance with option

## Prudential Code

appraisal and best value for money for the council. Any such changes made will be reported to the Council at its next meeting following the change.

<b>Authorised Limit for External Debt</b>			
	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Borrowing	15,001	14,839	14,679
Other Long-Term Liabilities	0	0	0
<b>Total</b>	<b>15,001</b>	<b>14,839</b>	<b>14,679</b>

### The Operational Boundary

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

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

The Council is asked to approve the operational boundary for external debt. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly my estimate of the most likely prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate.

The operational boundary represents a key management tool for in year monitoring by my staff and me. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is asked to delegate authority to me, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

<b>Operational Boundary for External Debt</b>			
	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Borrowing	1,470	1,308	1,147
Other Long Term Liabilities	0	0	0
<b>Total</b>	<b>1,470</b>	<b>1,308</b>	<b>1,147</b>

### Maturity Structure of Borrowing

The council is required to set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowing. These prudential indicators are referred to as the upper and lower limits respectively for the maturity structure of borrowing and are calculated using the amount of projected borrowing that is maturing in each period, expressed as a percentage of total projected borrowing.

The maturity date is the date on which the principal amount of a note, draft, acceptance bond or another debt instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an instalment loan must be paid in full.

The Upper limit profile is based on the **potential** borrowing identified under the Operational Boundary indicator, should it be needed for the purchase of employment land.

<b>MATURITY STRUCTURE OF BORROWING</b>			
	<b>Current Borrowing Profile %</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>
Under 12 Months	0.19	0.19	0.01
12 Months and within 24 Months			
24 Months and within 5 Years			
5 Years and within 10 Years			
10 Years and within 20 Years	99.81	99.81	6.54
20 Years and above			93.45100

### Principal Sums Invested for Periods Longer than a Year

The Treasury Management code requires that where an authority invests, or plans to invest, for periods longer than one year, then an upper limit for investments maturing in excess of one year is set. This council has a policy of not investing for periods of longer than 1 year.

### Interest Rate Exposures

In order to control interest rate risk, the council measures its exposure to interest rate movements. These indicators place limits on the overall amount of risk the council is exposed to. The one-year impact indicator calculates the theoretical impact on the revenue account of an immediate 1% rise in all interest rates over the course of one financial year. As the council's debt is on a fixed rate, this will not be impacted, so the only exposure would be on our investment income. As a result, this figure shows as a negative value.

## Prudential Code

Interest Rate Exposures	Upper Limit £'000
Upper limit on one-year revenue impact of a 1% rise in interest rates	<del>-169</del> <u>156</u>

**Credit Risk**

The Council has a policy to only use institutions with a short-term Fitch rating of F2 or above.

Credit Risk	Lower Limit for Credit Rating
Short Term Fitch Rating of Counterparties Used	F2

# Risk Management

## Capital Programme and Risk Management

As part of the capital scheme bidding process officers are asked to detail any risks that may be present to the completion of the scheme within budget and on time. These are reported and considered by members as part of the process of producing an overall achievable and affordable capital programme.

Where relevant, larger projects will be recorded separately on the council's corporate risk management system and the risk monitored on a regular basis, being reported to the corporate management team and the Accounts and Audit Committee, should any risk be deemed to be scored a 'Red' risk.

## Treasury Management and Risk Management

The Council's activities expose it to a variety of financial risks:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity Risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market Risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out within the Council's Financial Services team, under policies approved by the Council in the annual treasury management strategy.

The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

## Overall Procedures for Managing Treasury Management Risk

Overall these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years limiting:
  - The Council's overall borrowing;
  - Its maximum and minimum exposures to fixed and variable rates;

## Risk Management

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- Its maximum and minimum exposures to the maturity structure of its debt;
- Its maximum annual exposures to investments maturing beyond a year.
- by approving a Treasury Management Strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

The Prudential Indicators are required to be reported and approved at or before the Council's annual Council Tax setting meeting in early March. These items are also reported within this Strategy. Actual performance is also reported quarterly to Members.

Treasury Management activity is monitored by the Financial Services team. The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

### **Risk and Commercial Activity**

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or capital appreciation or both.

This council does not hold any investment properties; neither does the council borrow money with a view to investing purely for commercial gain.

## Governance Framework

### Initial Capital Scheme Bidding Process

The development of the scheme bids was detailed in the earlier section on Capital Expenditure. The reporting of the same and the decision-making process is summarised in the table below, following a standard process for the annual review of the capital programme:

<b>August:</b> Heads of Service are asked to consider their service area and identify any potential capital schemes.
<b>October to January:</b> All submitted bids are reviewed by Corporate Management Team and Budget Working Group and reported to the relevant Service Committee and approval sought. Members are also asked to put forward any capital bid suggestions and amendments that they may wish to make at this stage.
<b>January:</b> The Budget Working Group and Corporate Management Team <u>consider finalise</u> which scheme bids should be <u>recommended for inclusion</u> in the capital programme and the level of resources to be used to fund the capital programme, having consideration to any comments or approval made by Service Committees. A recommendation is prepared for Special Policy and Finance Committee.
<b>February:</b> Special Policy and Finance Committee meet to consider the recommendations of the Budget Working Group and Corporate Management Team. The final approved capital programme is then recommended to Full Council.
<b>March:</b> Full Council approve the final capital programme.

As part of this process there will inevitably be scheme bids that are not able to be taken forward, be that through lack of resources or competing priorities.

### Capital Budget Monitoring

The council has a structured process of budget monitoring, with regular meetings with budget holders to ensure schemes are on track and within budget. Reports are taken to all service committees regularly in year (including revised estimate report) and also the overall position is reported to Policy and Finance Committee on a regular basis.

Further reports are also taken to the council's Budget Working Group during the year.

The outturn position is also reported to all committees in line with the budget monitoring reporting.

## Governance Framework

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### Treasury Management Activities

This council is committed in embracing the principals of corporate governance in their treasury management activities: These include

- Adoption of the principals and policies promoted in the prudential code in order to promote openness and transparency in the council's treasury management function.
- Publication of and free access to information about the council treasury management transactions.
- Establishing clear treasury management policies, separation of roles and management of relationship within and outside the council, to establish integrity of the function.
- Well defined treasury management responsibilities and job specifications to enhance accountability.
- Equality in treasury management dealings with an absence of business favouritism to promote fairness.

The principals of corporate governance are successfully implemented. The council should ensure that treasury risk management is an integral part of its overall risk management process.

- The management and administration of treasury management be robust, rigorous and disciplined.
- The council should receive regular reports on its treasury management activities
- Performance data should be clear, concise and relevant to its treasury management activities.
- External parties should be monitored for adherence to the legal or regulatory regimes under which they operate.

Reports are taken quarterly to the Policy and Finance committee on all treasury management activities. Outturn position reports are also reported to the same. All policies and practices are also reported to and agreed by Policy and Finance Committee and Council.

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## Knowledge and Skills

### Staff involved in Capital Projects

The Council utilises the knowledge and skills of its internal officers when considering capital investment decisions and where necessary it may also rely on the expert knowledge of specialist external advisors.

The Council employs professionally qualified finance, legal and property officers who are able to offer advice and guidance when considering any capital investment decisions.

Finance and legal staff are professionally qualified and have the necessary experience of how the Council works.

All professionally qualified staff undertake Continuing Professional Development and maintain knowledge and skills through regular technical updates from appropriate bodies and are regulated by their respective professional bodies. Their rules of conduct require that they have an appropriate level of skill and expertise to deal with the particular matter with which they are dealing.

The Council occasionally uses external advisors where necessary in order to complement the knowledge its own officers hold. If required these would be engaged on an ad-hoc basis and be project based.

### Staff involved in Treasury Management Activities

The Council recognises the importance that all treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Performance Appraisal system which aims to identify the training requirements of any individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Director of Resources together with the Head of Financial Services, to ensure that all staff involved in the service receive the necessary training.

Treasury Management courses run by such bodies as CIPFA, money brokers, or other recognised bodies are those normally sourced and attended.

The qualifications of those staff that are authorised to be involved in treasury management activities are detailed below

- Chief Executive - CIPFA Qualified
- Director of Resources – CIPFA Qualified
- Head of Financial Services – CIPFA Qualified
- Senior Accountant – CIPFA Qualified

## Knowledge and Skills

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- Accounting Technician – AAT Qualified ([studying for the CIPFA Qualification](#))

With regard to members, detailed explanations of all reports are given, as they are scrutinised by committee, by the Director of Resources in order to ensure full understanding.

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

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meeting date: 28 MARCH 2023  
title: MEDIUM TERM FINANCIAL STRATEGY AND PLAN 2023/24 TO 2027/28  
submitted by: DIRECTOR OF RESOURCES  
principal author: LAWSON ODDIE

### 1 PURPOSE

1.1 To approve the Council's Medium Term Financial Strategy and Plan for the period 2023/24 to 2027/28.

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 need. To meet the objective within this priority, of maintaining critical financial management controls, ensuring the authority provides council tax payers with value for money.
- Other Considerations – none identified.

### 2 BACKGROUND

2.1 The purpose of the Medium Term Financial Strategy and Plan is to pull together in one place all known factors affecting the financial position and financial sustainability of the council over the medium term. It balances the financial implications of our objectives and policies against the availability of our resources to support them.

2.2 The Medium Term Financial Strategy and Plan is the Council's key financial planning document and aims to provide an assurance that our spending plans are affordable over the Medium Term (2023/24 to 2027/28). The information that is included in the document reflects the short and medium term plans detailed in the budget report that was approved by this committee on 14 February this year and provides the backdrop for those decisions.

2.3 The Medium Term Financial Strategy and Plan allows the council to take budget and investment decisions in the shorter term, but with the availability of information on our potential future financial position. It is then possible to assess how these decisions may impact on our financial stability.

2.4 That having been said, there is a great deal of uncertainty around much of the document beyond the 2023/24 financial year, however the document will be reviewed annually to once again reflect the best know information at that point in time.

### 3 MEDIUM TERM FINANCIAL STRATEGY AND PLAN

3.1 The attached Medium Term Financial Strategy and Plan is split in to two sections. The first part, being the Strategy section, provides the details of the various elements of the budget and the influencing factors both internal and external.

3.2 This section gives the reasoning behind the elements that have been included in the plan and the arrangements that we have in place to help ensure that the budget plans stay on track.

3.3 The second section relates to the Plan itself, bringing together the elements from the Strategy section. This section provides the resulting Budget Plan for the next five years for both revenue and capital and also outlines some of the risks and sensitivities that are associated with the Plans.

3.4 A key part of the Plan that is highlighted is the revenue budget gap going forward and the need for this to be addressed through the work of the Budget Working Group. Whilst the Plan highlights the potential to meet the gap from our Earmarked Reserves, this is clearly not a sustainable position.

3.5 The Medium Term Financial Strategy and Plan forms an integral part of the council's financial planning process and whilst it is a document produced by the finance team, it is important that it is understood and recognised by all staff and members across the council. Financial forecasting and monitoring is integral to the provision of our services.

#### 4 CONCLUSION

4.1 The Medium Term Financial Strategy and Plan has been produced and is attached at Annex 1. This includes the implications of the latest budgets for both revenue and capital.

4.2 It is a key document for the council and it is important that it is understood by all members and staff.

#### 5 RISK ASSESSMENT

5.1 The approval of this report may have the following implications

- Resources: This document does not commit any current or future budgets and is used as a forecasting tool
- Technical, Environmental and Legal: none identified
- Political: none identified
- Reputation: sound financial planning safeguards the reputation of the council
- Equality and Diversity: Equality and diversity issues are considered in the provision of all council services

#### 6 RECOMMENDED THAT COMMITTEE

6.1 Approve the Medium Term Financial Strategy and Plan for 2023/24 to 2027/28.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF37-23/LO/AC  
17 March 2023



Ribble Valley  
Borough Council

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[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)

# Medium Term Financial Strategy and Plan 2023/24 to 2027/28



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# Introduction

The medium term financial strategy (MTFS) provides a strategic financial framework and forward looking approach to achieve long term financial sustainability.

The main objectives of the medium term financial strategy are:

- to look to the longer term to help plan sustainable services and budgets and help ensure that the council's financial resources are sufficient to support delivery of Corporate Strategy ambitions.
- to provide a single document to communicate the financial context, aims and objectives to staff and stakeholders and support working with partners.

The strategy provides a framework against which the medium-term financial plan (MTFP) is developed, and provides the backdrop against which the MTFP has been developed.

## The Strategy

The Medium Term Financial Strategy examines both the Financial Context and also the Strategic Context:

- **Financial Context** – where we examine our sources of funding, assumptions around such items as pay and price inflation, our available balances, the development of the capital programme, key risks and out monitoring and forecasting arrangements taking into consideration the CIPFA Financial Management Code.
- **Strategic Context** – where we look at the look at the ambitions contained within the Corporate Strategy and also the impact of our many other policies and plans and how these impact on the direction of the council and on its operation from day to day. Also included here is wider national policy and how certain areas of national policy do, or may, impact on the operation of the council.

## The Plan

The Medium Term Financial Plan is where the council reviews its budgetary position and seeks to forecast its financial position over a rolling 5-year plan, based on the content of the Medium Term Financial Strategy.

The Plan considers the financial climate at both the local and national level together with available resources and budgetary pressures. Included here is the medium term forecast around our day-to-day revenue spend and also of our investment through capital spend.

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# Medium Term Financial Strategy

## Settlement Funding Assessment

The Settlement Funding Assessment consists of the Business Rates Baseline Funding Level and the Revenue Support Grant and is the Government’s assessment of the level of funding that council’s require to meet their net expenditure after allowing for income received through the Council Tax.

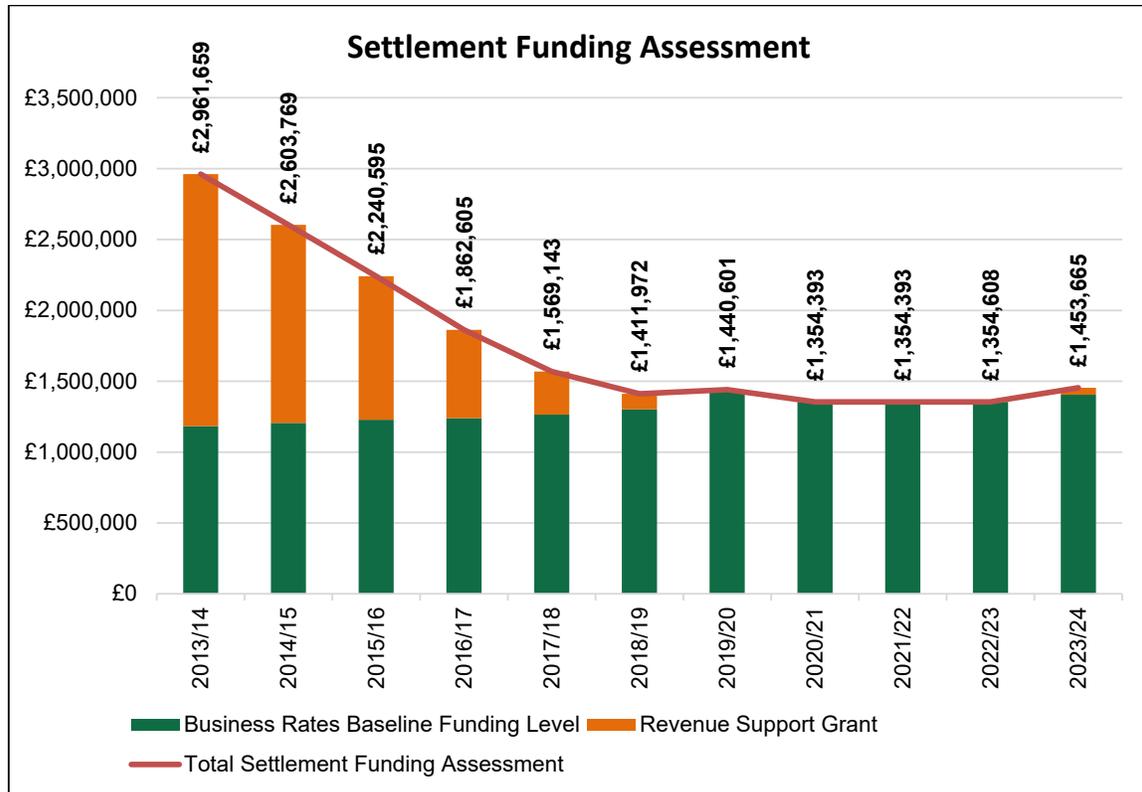
In line with Government plans in the previous decade to reduce public sector spending, the settlement funding assessment was reduced over a number of years to 2019/20. This reduction came through the reduced levels of Revenue Support Grant received as part of the Settlement Funding Assessment.

Of late, there has been some additional funding made through specific grants, rather than through changes to the Settlement Funding Assessment.

The Government have further delayed key reforms to local government funding, notably in this area of funding in respect of:

- Review of local authorities’ relative needs and resources (Fair Funding Review)
- Business Rates Retention Reform

The chart below shows the settlement funding assessment for this council since 2013/14 when the current local government finance system was introduced.



**FINANCIAL CONTEXT: Settlement Funding Assessment**

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The Settlement Funding Assessment for 2023/24 is effectively a one-year settlement and as such it is difficult to assess the level of funding over the life of the plan. Looking forward, in the absence of any other information around the future of local government funding and the delays to the key reforms, it has been assumed in the Medium Term Financial Plan section of this document that the Settlement funding Assessment level will remain static until the end of the plan life in 2027/28.

However, other assumptions have been made in respect of protections going forward and this is referenced in the next section under 'Funding Guarantee' as the potential continued support shown in the Plan as 'Potential Transitional Protection Payment'.

## Other Government Grants within Grant Settlement

### New Homes Bonus

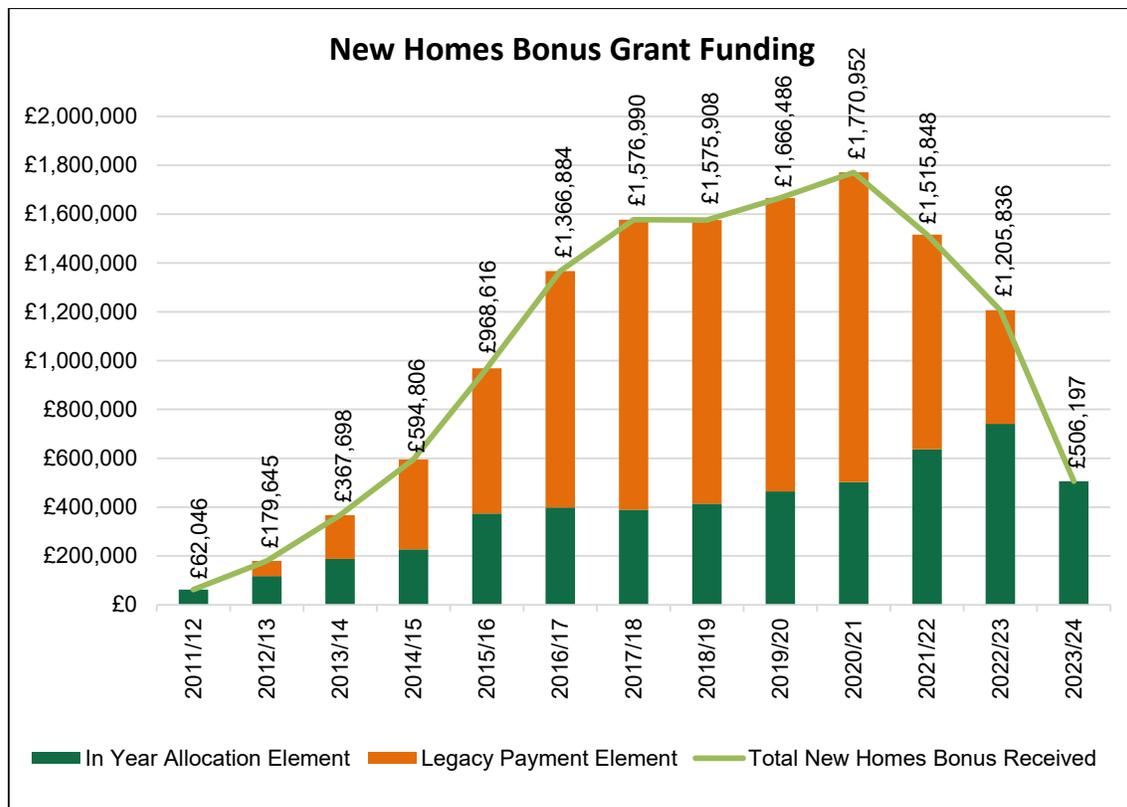
The New Homes Bonus commenced in April 2011 and is paid to the council by the Government for new homes and empty properties brought back in to use. The amount receivable is equivalent to the national average council tax for each property.

The original scheme saw the grant payable in a year being receivable every year for the following six years. The amount is also supplemented with an additional amount for affordable homes.

New Homes Bonus grant is shared 80:20 between district and county councils in two tier areas. It is paid as an unringfenced grant, which means local authorities are free to decide how to spend it. The New Homes bonus can be spent on either revenue or capital, or placed in a local authority's reserves.

The first year where a full six years-worth of payments were received was 2016/17. Significant changes were announced in the tapering of the grant with effect from 2017/18 onwards, through to the 2023/24 financial year where a single year's grant payment will be made.

Below is a summary of the income received under this grant scheme since it started in 2011/12:



**FINANCIAL CONTEXT: Other Government Grants within Grant Settlement**

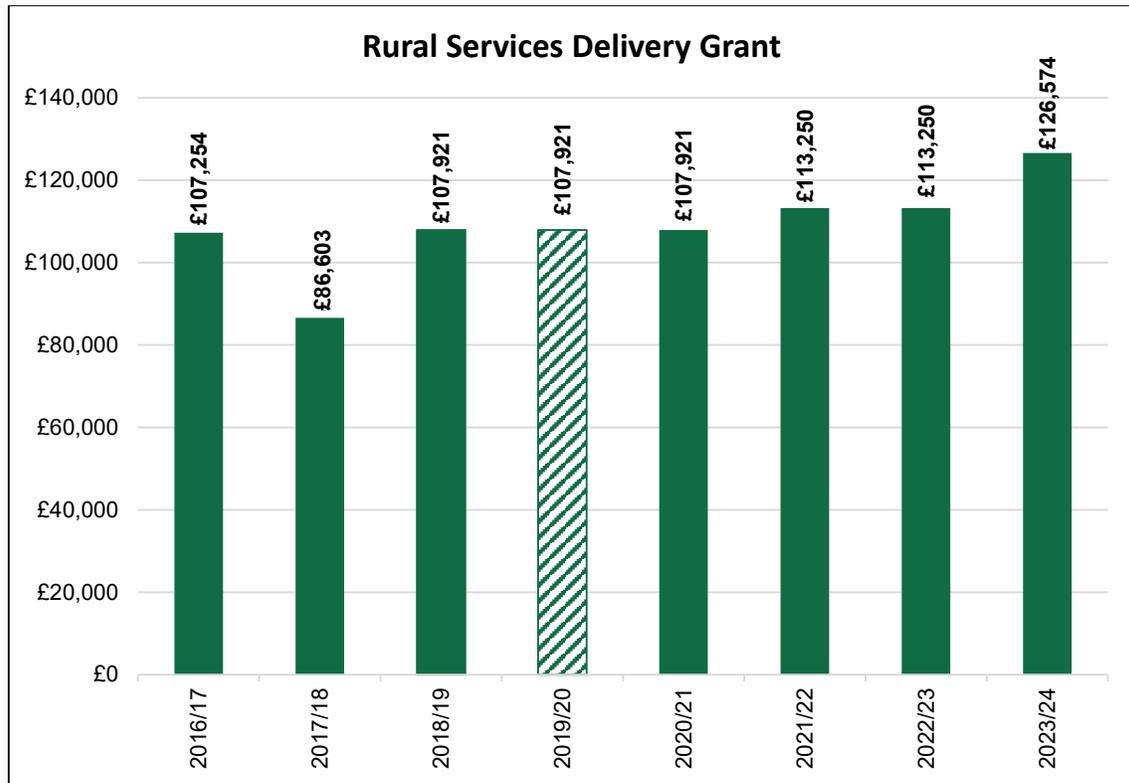
Looking forward over the life of the plan, it has been assumed that the payment of New Homes Bonus grant will cease after 2023/24.

As with the delays seen on the Fair Funding Review and the Business Rates Retention Reform, the reforms around New Homes Bonus have also been repeatedly delayed despite several consultations. In the Local Government Settlement for 2023/24 the Government have said that they will consult in the summer of 2024 in respect of proposals for the New Homes Bonus Scheme going forward.

**Rural Services Delivery Grant**

The Rural Services Delivery Grant is funding provided in recognition of the possible additional costs of service delivery in sparsely populated areas. This funding is distributed to the top-quartile of authorities ranked by super-sparsity, of which this council is one.

Below is a summary of the income received under this grant scheme:



*In 2019/20 we were designated a Business Rate Pilot and our Rural Services Delivery Grant of £107,921 was rolled in to our Baseline Funding Level rather than being paid as a separate grant.*

Looking forward over the life of the plan, it has been assumed that the payment of Rural Services Delivery Grant will remain at the 2023/24 for the life of the plan.

**Services Grant**

In 2022/23 the government introduced a “one-off services grant” for all councils to supplement other grants, now known as the Services Grant. In 2022/23 we received £93,368.

**FINANCIAL CONTEXT: Other Government Grants within Grant Settlement**

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The Services Grant will be retained in 2023/24 but reduced to account for the reversal of the increase to National Insurance Contributions. In 2023/24 this council will receive £52,612 and it is assumed in the Medium Term Financial Plan that this funding will continue at this level for the life of the plan.

**Funding Guarantee**

The Government have announced a new one-off funding guarantee for 2023/24. This is to ensure that all councils receive at least a 3% increase in their core spending power before local decisions are made on the level of council tax. On this basis this council will receive £788,858 in 2023/24.

As mentioned above, the Funding Guarantee is a 'one-off' funding guarantee for 2023/24. There is no detail of what further protections may be provided by the government after 2023/24. For the purposes of the Medium Term Financial Plan, it has been assumed that the Government will continue to protect local government funding levels, again, to ensure that all councils receive at least a 3% increase in their core spending power before local decisions are made on the level of council tax.

In the Medium Term Financial Plan this potential continued support is shown as Potential Transitional Protection funding.

## Council Tax

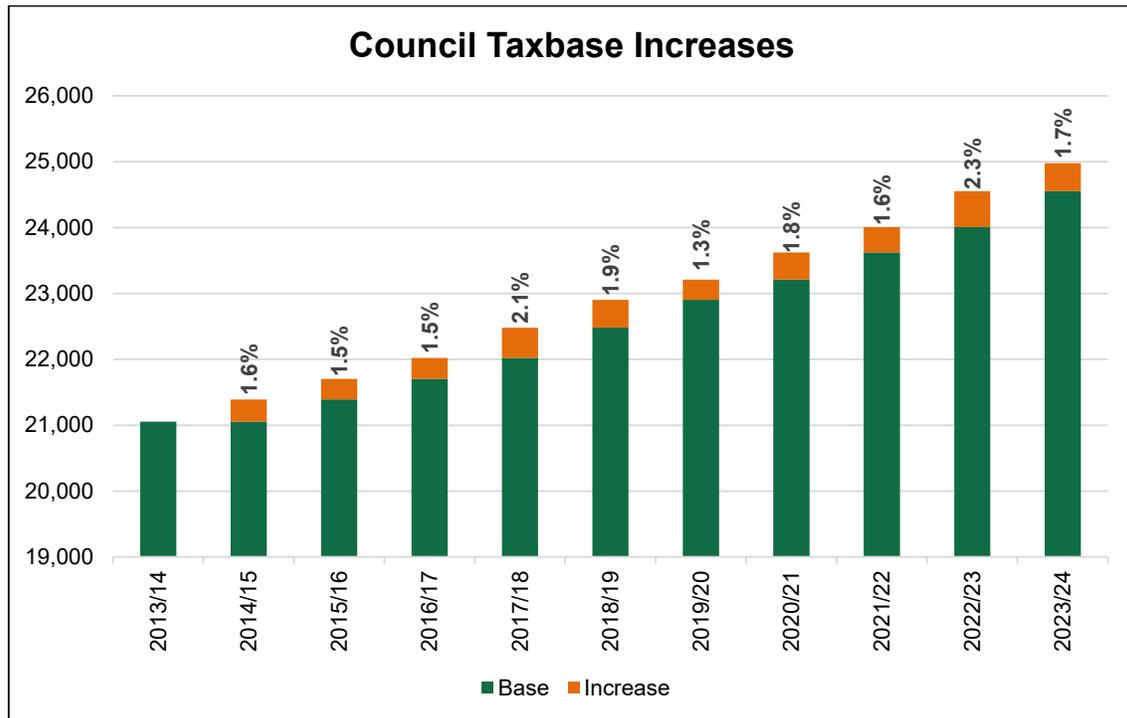
### Calculation of the Taxbase

The council tax base is set each year between 1 December and 31 January and is an important calculation which sets out the number of dwellings to which council tax is chargeable in an area or part of an area.

The tax base is used for the purposes of calculating the band D council tax for the billing authority and also major precepting authorities and parish councils.

The level of the council taxbase impacts on the level of resources that the council can raise from council tax. For budget purposes the council taxbase is calculated at a snapshot point in October (subject to review) and all precepting bodies are informed of the taxbase in order to assist them in setting their precepts.

The table below shows the movement in our taxbase over recent years:



The council has benefited from consistent increases in its taxbase due to past levels of planning applications and subsequent levels of housebuilding. We continue to make a prudent forecast in the level of future growth over the life of the plan as we have no influence over when such developments are started, completed or occupied.

Looking forward over the life of the plan it is assumed that the council taxbase will grow by 1% per annum. This is a slightly lower percentage than has been experienced in the past, however we are now starting to see reductions in the large scale planning applications.

**FINANCIAL CONTEXT: Council Tax**

**Taxbase and the Impact of Local Council Tax Support**

Local Council Tax Support (LCTS) replaced Council Tax Benefit in 2013/14. Council Tax Benefit was fully funded by the Government – the Council received 100% subsidy to compensate it for paying out Council Tax Benefit.

LCTS however is not paid as a benefit but instead is a discount on an individual’s council tax bill. The Government replaced the subsidy with a grant payable to councils for the cost of LCTS. Crucially they reduced the amount from 100% to 90% and Councils were faced with either absorbing this reduction in funding on their general fund or meeting this from either reductions in council tax support or elsewhere within the council tax system. To bridge the gap in funding, together with other changes, there was a 12% reduction in support for working age claimants.

With effect from 2022/23 this reduction in support was removed and now all claimants receive the same level of discount.

This discount impacts on the level of the council tax base, as does any other discount. When the scheme was first introduced in 2013/14 there was a sizeable drop in the level of the council tax base.

**Council Tax Level Changes**

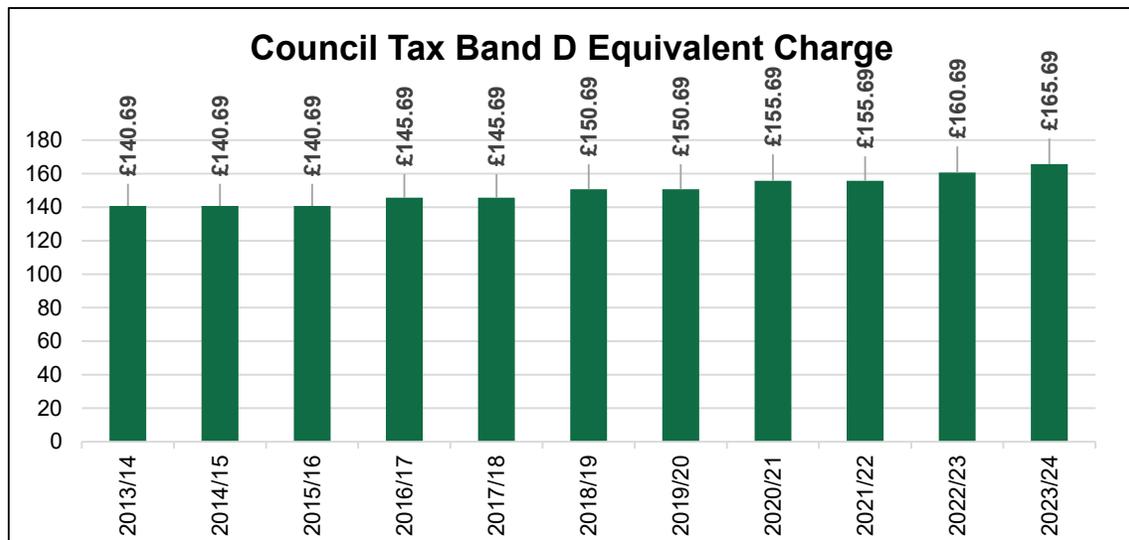
A referendum must be held where an authority’s Council Tax increase is higher than the principles proposed annually by the Secretary of State and approved by the House of Commons.

For 2023/24 the Government announced the following core referendum thresholds. For this council the key principle was that Shire districts will have a referendum principle of up to 3 per cent or £5, whichever is higher.

For the 2023/24 financial year elected members agreed to increase the level of the council tax by the maximum permitted without a referendum of £5.00 at Band D.

As well as being in the bottom quartile of districts for the lowest Band D council tax, this council has historically held the lowest Band D council tax across all Lancashire district councils.

The table below shows the Band D council tax for this council over past years.



**FINANCIAL CONTEXT: Council Tax**

The level of the Band D council tax in any given year is a decision for elected members in each of the relevant years. However, for the purposes of the plan, over its lifetime it has been assumed that the council tax would be increased by the maximum permissible, which is in line with the Government's core referendum principles.

The council has supported lobbying for the maximum cash increase to be raised from £5 to £10 per Band D. For many years the council froze its share of the council tax in line with Government pressure. However, given the reduction in our Settlement Funding Assessment over several years and the reduction of New Homes Bonus the council may need to rely on further council tax flexibilities.

**Council Tax Income for this Council**

The impact on the level of council tax raised is twofold. It is impacted by changes in the taxbase and also impacted by the monetary increase to the Band D equivalent charge (the £5 increase in our case).

The table below shows the financial impact of both of these elements:

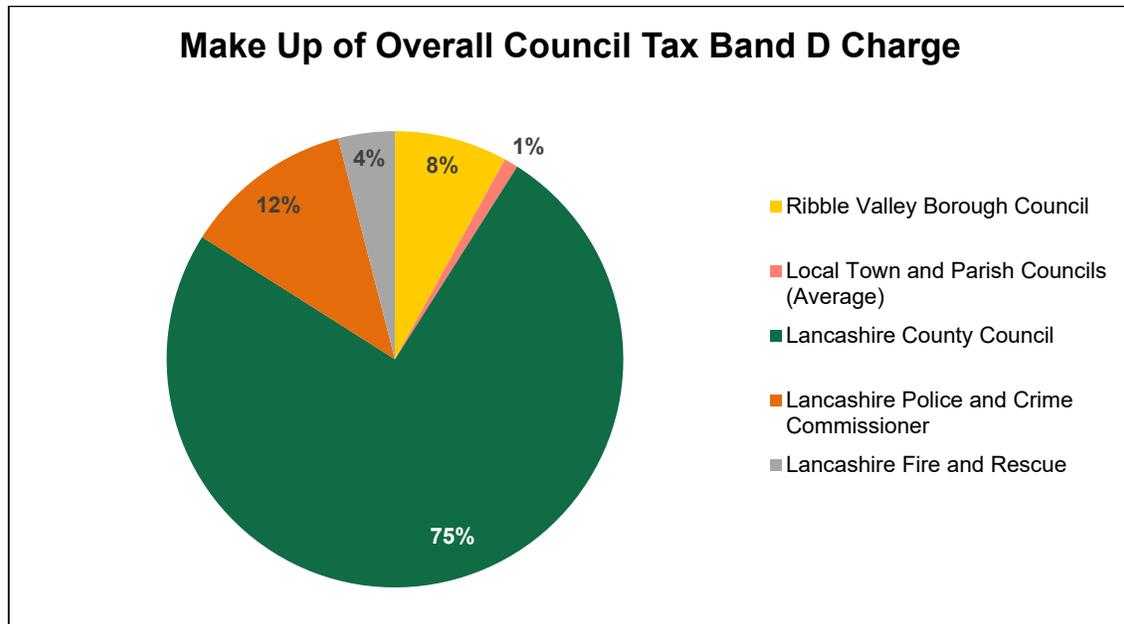
	<b>Council Tax increased by £5.00 £</b>
Band D Council Tax	165.69
Taxbase for 2023/24	24,980
= Council Tax Income 2023/24	4,138,936
Council Tax income 2022/23	3,945,422
<b>Extra income from Council Tax</b>	<b>193,514</b>
Of which due to increase in taxbase	68,614
Of which due to increase in council tax charge	124,900

The £5 increase in our share of the Council Tax resulted in a Band D tax amount of £165.69 for 2023/24 (an increase of 3.1%). This generates £124,900 each year in extra revenue. In addition, the increase in our taxbase generates a further £68,614.

**Council Tax Collection Fund**

The Council is responsible for collecting the Council Tax to pay for services provided by Lancashire County Council, Ribbles Valley Borough Council and its Parishes, Lancashire Police Authority and Lancashire Combined Fire Authority. The chart below shows how the annual council tax bill is divided across different local organisations.

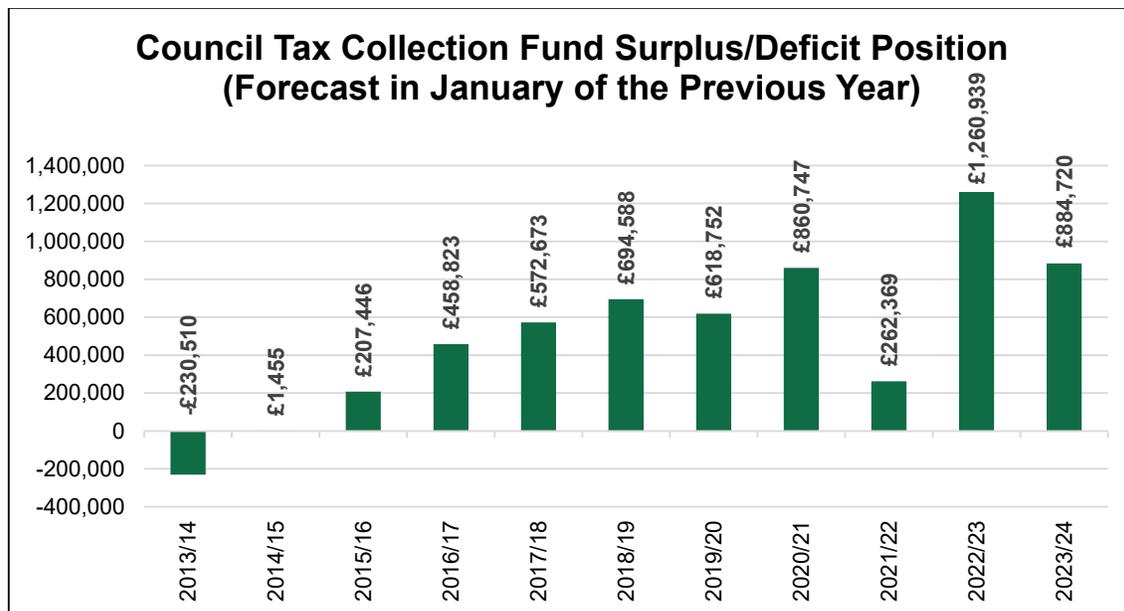
FINANCIAL CONTEXT: Council Tax



The Collection Fund is ringfenced and shows the income received from Council Tax payers. It also shows how the income is distributed between Lancashire County Council, the Borough Council and its Parishes, Lancashire Police and Crime Commissioner and Lancashire Combined Fire Authority.

In the January of each year a forecast is made of the closing position for the council tax collection fund and any surpluses or deficits are shared and are taken account of in setting the following year’s revenue budget by all major precepting bodies.

The overall forecast (as at January prior to the start of the financial year) council tax collection fund position over past years can be seen in the table below:



The relevant deficits or surpluses are shared out amongst major precepting bodies pro rata to the level of council tax precepts in the year that the forecast is done.

FINANCIAL CONTEXT: **Council Tax**

As such, for 2023/24 the forecast surplus is £884,720 and this surplus is distributed on the following basis:

<b>Major Preceptor</b>	<b>Based on 2022/23 Precept £</b>	<b>Share of Forecast Surplus on Collection Fund £</b>
Lancashire County Council	37,180,362	666,605
Lancashire Police and Crime Commissioner	5,805,557	104,088
Ribble Valley Borough Council (incl Parishes)	4,462,769	80,012
Lancashire Combined Fire Authority	1,897,211	34,015
<b>Total</b>	<b>49,345,899</b>	<b>884,720</b>

Looking forward over the life of the plan it is assumed that this council might see an average of £25,000 per annum as income from the surplus on the collection fund.

### **Council Tax Collection Rates**

Council tax collection rates in Ribble Valley are the highest in the North West and fourth in England. In 2021/22 the council collected 99 per cent of council tax, which is thanks both to prompt payment by residents and also the diligence of the council's collection team.

## Business Rates and Pooling

### Business Rates

The Business Rates Baseline Funding Level forms an important element of the council's Settlement Funding Assessment. In addition to this there are a number of other elements of business rates income that form our total level of business rates income and which go towards our total Business Rates income.

These other elements are in respect of:

- Retained Rates Income above or below the Baseline Funding Level
- Section 31 Grant from the Government to recompense the Council for the cost of various business rate reliefs awarded
- Income from Renewable Energy Sites
- Less 10% share of retained Levy payable to Lancashire County Council under Business Rates Pooling Arrangements
- Surplus or Deficit on the Business Rates Collection Fund

The actual income received in any given year from the many elements of business rates funding can be heavily influenced by external factors that are wholly out of our control, making business rates a potentially highly volatile income stream.

### Business Rates Growth

This council has benefited from healthy levels of business rates growth over the life of the business rates retention scheme and over time has relied heavily on this income to support the revenue budget, as well as helping fund the capital programme.

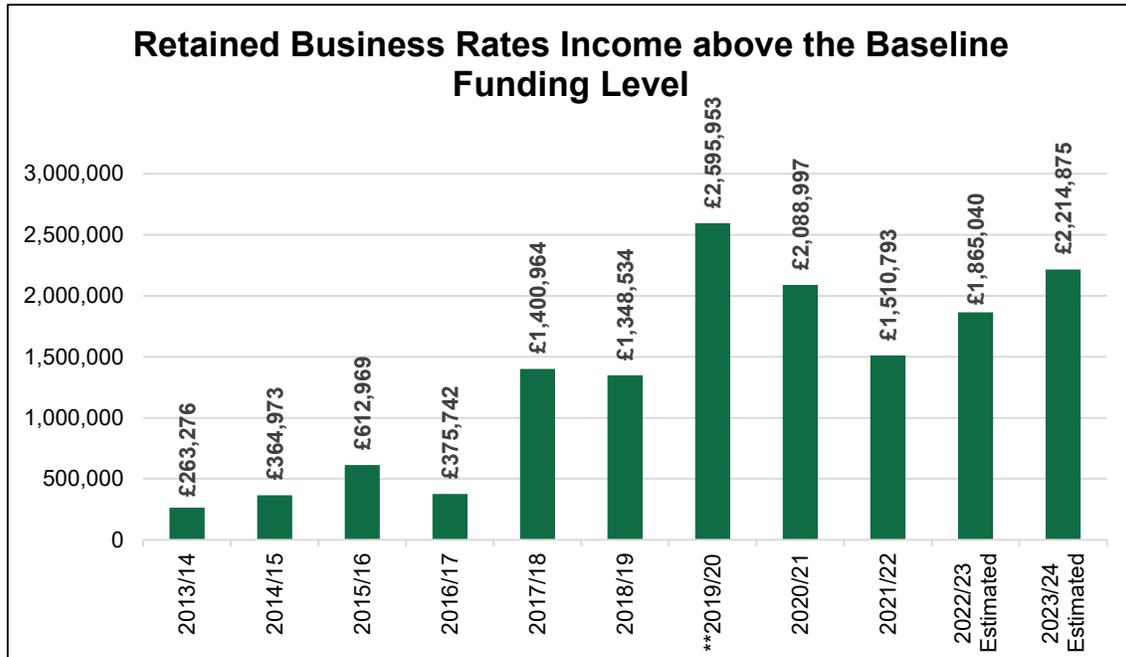
This leaves the council vulnerable to any reforms to the Business Rates Retention scheme and any resets within the business rates retention scheme, such as the Baseline Funding Level.

As such the review of local authorities' relative needs and resources (Fair Funding Review) and the Business Rates Retention Reforms that keep being delayed add to the uncertainty around our financial position over the longer term.

Each year we have been in a position to forecast growth above that baseline when we complete the business rates NNDR1 return. Any further growth (or the impact of any decline) that occurs within each financial year over and above that forecast in the government return NNDR1, will not be benefitted from/or felt until future years through the distribution of any surplus or deficit on the collection fund relating to business rates. This outturn position is declared to the government and the major precepting bodies through the completion of government NNDR3 return at the end of the financial year.

The level of Business Rates income above the Baseline Funding Level over past years can be seen in the table below:

FINANCIAL CONTEXT: **Business Rates and Pooling**



\*\* 2019/20 was the year the Council were part of the 75% Lancashire Business Rates Pilot Pool

Within the above figures are the benefits of the retained levy through being part of the Lancashire Business Rates Pool. In particular 2019/20 benefited greatly from the retained levy as for one year the council was part of the 75% Lancashire Business Rates Pilot Pool meaning that 75% of collected rates were retained in Lancashire rather than 50%.

**Business Rates Pooling**

In 2016/17, 2017/18 and 2018/19 this Council was a member of the Lancashire Business Rates Pool. In a Business Rate Pool, tariffs, top-ups, levies and safety nets are combined. This can result in a significantly lower levy rate or even a zero levy rate meaning that more or all of the business rate growth can be retained within the pool area instead of being payable to the Government.

The Lancashire Business Rates Pool, which includes most but not all of the local authorities in Lancashire, was designated by the Secretary of State for Housing, Communities and Local Government and originally operated with allocations on the basis of the 50% business rates retention scheme.

In 2019/20 we successfully submitted a bid along with 15 other authorities in Lancashire to become a 75% Business Rates Pilot Pool. This meant that 75% of collected rates were retained in Lancashire rather than 50%.

In respect of 2020/21, the Government confirmed that 75% Business Rate Pilots would cease at the end of March 2020. Since then applications have continued to be made annually for a 50% Lancashire Pool, with the latest approval being for 2023/24.

The pool has operated on the same basis as in 2016/17, 2017/18 and 2018/19 since 2020/21.

**FINANCIAL CONTEXT: Business Rates and Pooling**

As part of the pool arrangements, one authority must be designated as lead authority, which in the case of the Lancashire Business Rates Pool is Ribble Valley Borough Council. As part of this arrangement a fee of £20,000 is payable, charged equally to all members of the pool by Ribble Valley Borough Council in their role as lead.

The retained levy in the Lancashire Business Rates Pool has been distributed as follows:

- Lancashire County Council is paid 10% of the overall retained levy;
- Each district within the pool retains 90% of their retained levy.

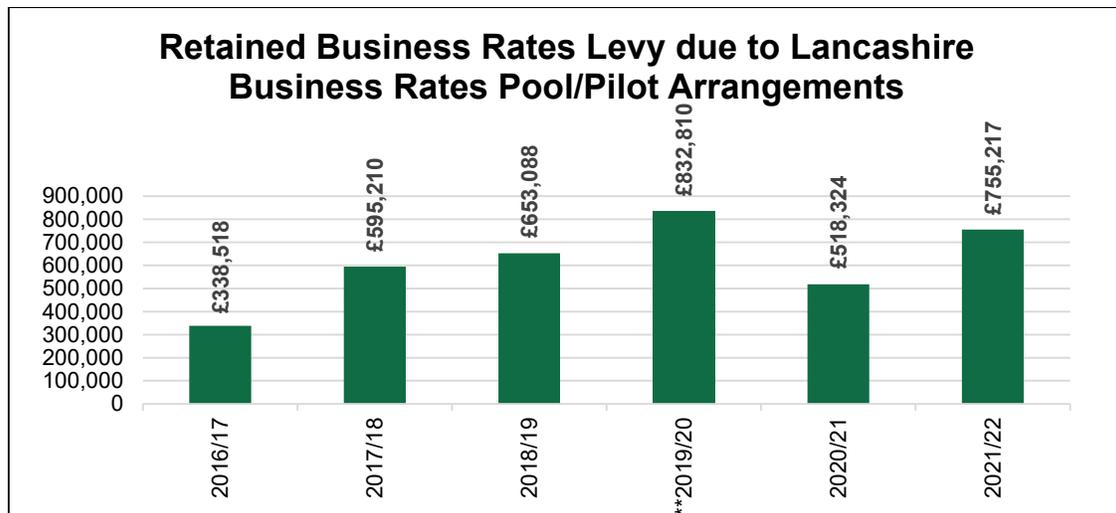
As mentioned in previous sections, the uncertainty around the review of local authorities' relative needs and resources (Fair Funding Review) and the Business Rates Retention Reforms that keep being delayed add to the uncertainty around our financial position over the longer term and also to the benefit of any pooling arrangement under any reforms.

The Council obviously has to make assumptions about the potential of successful appeals, bad debts and also growth in its business rates base. In any year this is a difficult task however this continues to be made even more so due to the 2023 Revaluation.

The council does have some short term protections through the setting up of the Business Rates Volatility Reserve which offers some protections in lieu of those lost through the Government by forming a Business Rates Pool, but also in the event of any substantial reforms.

As the level of expected business rates income is anticipated to increase, a review has been undertaken of the Business Rates Volatility Reserve. As a result the reserve will be topped up from £1.682m to £2m to add resilience.

Over the years that the council has been part of the Lancashire Business Rates Pool we have benefited from the following levels of net retained levy under those arrangements. The figures shown below are the net benefit of being in the pooling arrangement and are reflected within the values shown in the table under business rates growth.



\*\* 2019/20 was the year the Council were part of the 75% Lancashire Business Rates Pilot Pool

**FINANCIAL CONTEXT: Business Rates and Pooling**

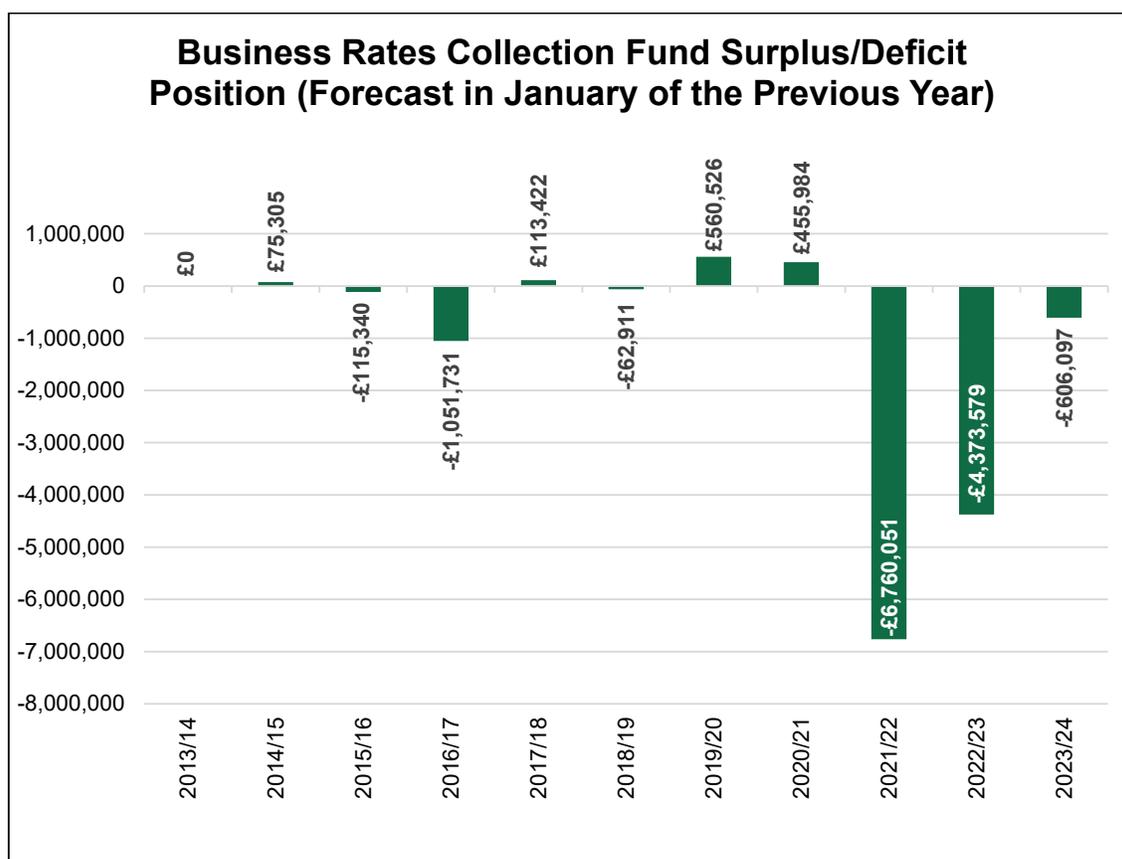
**Business Rates Collection Fund**

The Council is responsible for collecting Business Rates to pay for services provided by Central Government, Lancashire County Council, Ribble Valley Borough Council and Lancashire Combined Fire Authority.

The Collection Fund is ringfenced and shows the income received from Business Rate payers. It also shows how the income is distributed between Central Government, Lancashire County Council, Ribble Valley Borough Council and Lancashire Combined Fire Authority.

In the January of each year a forecast is made of the closing position for the business rates collection fund and any surpluses or deficits are shared and are taken account of in setting the following year's revenue budget by all major precepting bodies. This position is declared through the Government's NNDR1 return.

The overall forecast (as at January prior to the start of the financial year) business rates collection fund position over past years can be seen in the table below:



The table above shows some quite erratic movements in the Business Rates Collection Fund Surplus/Deficit position since the start of the Business Rates Retention Scheme in 2013/14. Having started in 2013/14 there consequently a nil surplus/deficit position shown in 2013/14.

The larger swings in the forecast Surplus/Deficit position are in 2016/17, 2021/22 and 2022/23.

**FINANCIAL CONTEXT: Business Rates and Pooling**

- 2016/17 – this position arose from a review of the position on appeals prior to the council forming the Lancashire Business Rates Pool together with the majority of other district councils in Lancashire and Lancashire County Council. This review was undertaken due to the transfer of risk in joining the Lancashire Business Rates Pool arrangements and losing the protections of the Government scheme.
- 2021/22 and 2022/23 – this position reflects the impact of Covid-19 on the Business Rates landscape. Due to measures taken by the Government in providing a wide range of reliefs to businesses, the level of business rates income that the Collection Fund received was dramatically reduced. Whilst this income was reduced in 2020/21 and 2021/22, the impact due to the nature of the Collection Fund Surplus and Deficit accounting was not felt in the general fund until the 2021/22 and 2022/23 financial years respectively through the distribution of the Business Rates Collection Fund Deficit. However, the Government did compensate councils for this loss of income, but through Section 31 grants which are payable to the General Fund, not the Collection Fund.

The relevant deficits or surpluses are shared out amongst major precepting bodies in line with the business rates income distribution percentages in the year that the forecast is done.

As such, for 2023/24 the forecast deficit is £606,097 and this deficit is distributed on the following basis:

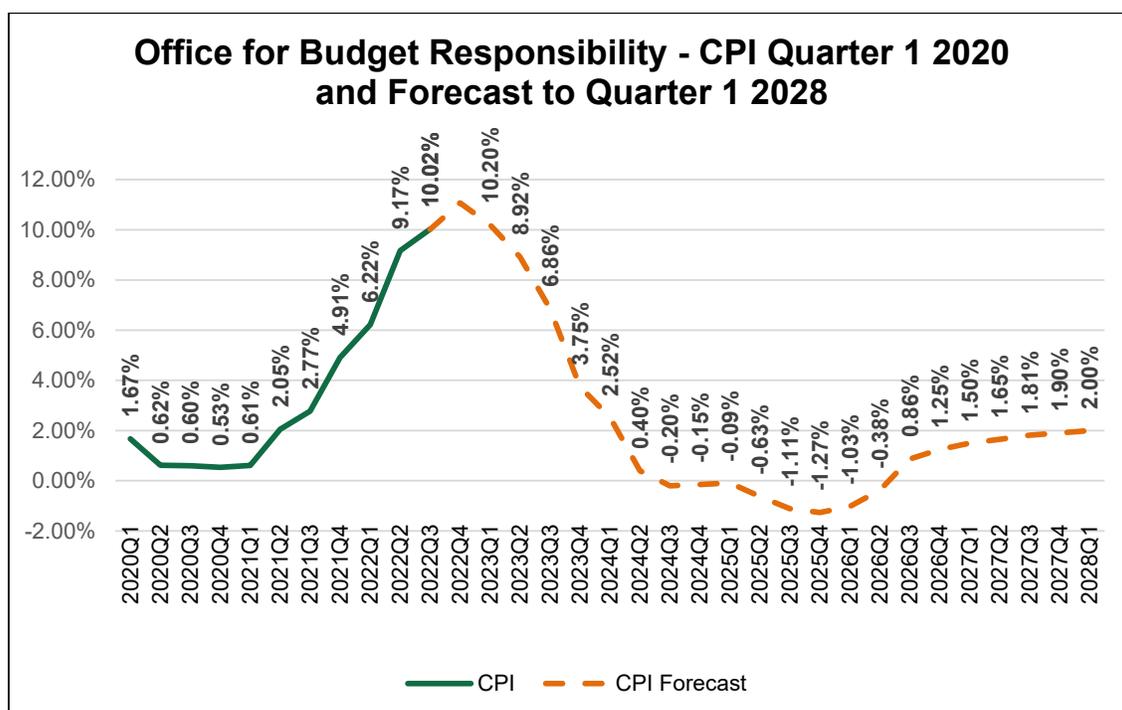
<b>Major Preceptor</b>	<b>2022/23 Distribution Percentages</b>	<b>Share of Forecast Deficit on Collection Fund £</b>
Central Government	50%	303,048
Ribble Valley Borough Council	40%	242,439
Lancashire County Council	9%	54,549
Lancashire Combined Fire Authority	1%	6,061
<b>Total</b>	<b>100%</b>	<b>606,097</b>

Looking forward over the life of the plan it is assumed that this council might see an average of £242,439 per annum payable to the Business Rates Collection fund to fund any deficit position.

## Other Financial Assumptions

### Consumer Price Index

Of late there have been significant levels of inflation seen. Since the middle of the 2020/21 financial year CPI has seen sustained increases month to month, which has meant that inflation in the 2022/23 financial year substantially exceeded that allowed for in the original estimate, despite contingencies having been allowed for on top of increased prices.



The budget for 2023/24 has been prepared on the basis of overall inflation at 7.5% on general prices. However, where costs are known to be above this rate, then an increased allowance has been made in setting such budgets.

Looking forward to the medium term, inflation on general prices has been allowed for at:

Financial Year	Inflation Allowed for on General Prices	Impact of 1% Movement
2023/24	7.5%	+/- £68,860
2024/25	2.5%	+/- £74,020
2025/26	2.5%	+/- £75,870
2026/27	2.0%	+/- £77,770
2027/28	2.0%	+/- £79,320

**FINANCIAL CONTEXT: Other Financial Assumptions**

There is a risk that should inflation increase at a higher rate than anticipated our costs would rise. Conversely, should inflation movements be more favourable, then savings may be seen on our budgets and forecasts. The table above includes an indication of the potential impact of every 1% movement in assumed inflation.

**Pay Inflation**

Assumptions have been made in the forecast about the 2023/24 pay award, which has yet to be settled, and the likely level of pay inflation that will apply from April 2023/24. As a large proportion of the Council's expenditure is pay related this can have a significant impact if actual rates are much higher than predicted.

The budget for 2023/24 has been prepared on the basis of pay inflation at 5%. Looking forward to the medium term, pay inflation has been allowed for at:

Financial Year	Inflation Allowed for on Pay	Impact of 1% Movement
2023/24	5.0%	+/- £80,560
2024/25	2.5%	+/- £82,980
2025/26	2.0%	+/- £85,050
2026/27	2.0%	+/- £86,750
2027/28	2.0%	+/- £88,490

To reflect potential staff turnover through the year the Original Estimate is set at 96% of total establishment costs. In recent years turnover has exceeded this and additional underspends have been seen, but it is anticipated in the Plan that this will return to normal levels within the 96% budget allowed for.

**Pension Fund Triennial Revaluation**

The results of the latest Pension Fund Triennial Revaluation will take effect from the 2023/24 financial year.

The results of the review see the Council's Employer contributions falling from the current rate of 17.1% to 14.7%. This means that the revenue budget will benefit by an estimated £161,000 from 2023/24, which does help to partly offset some of the other substantial inflationary increases that have been seen.

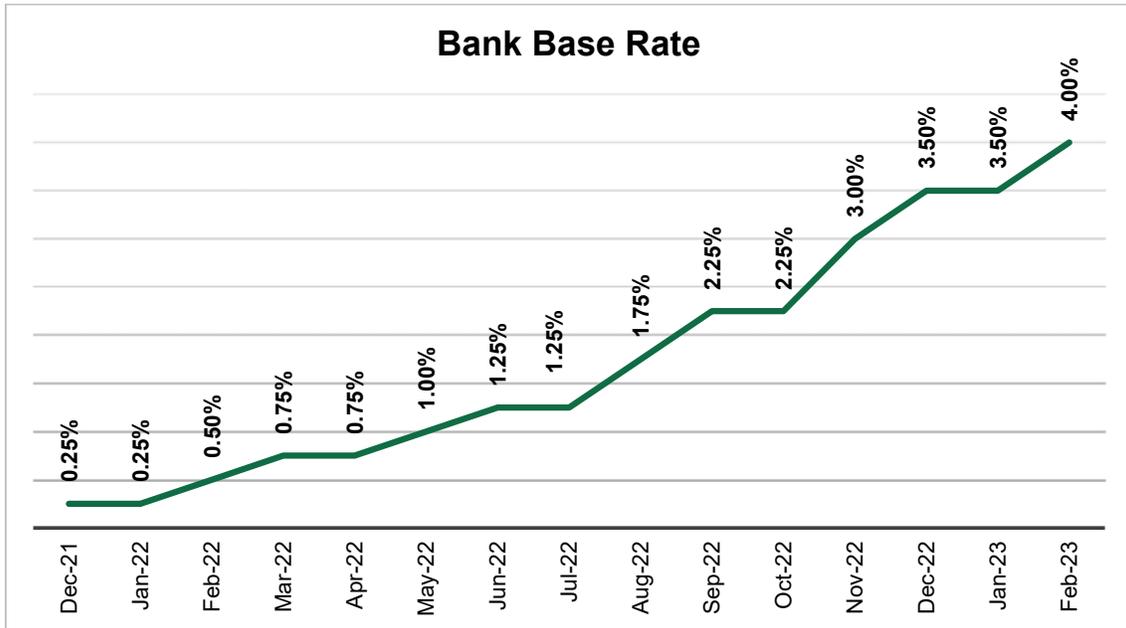
The fall in the contributions is due to the performance of the Pension Fund since the last Triennial Review.

**Interest Rates**

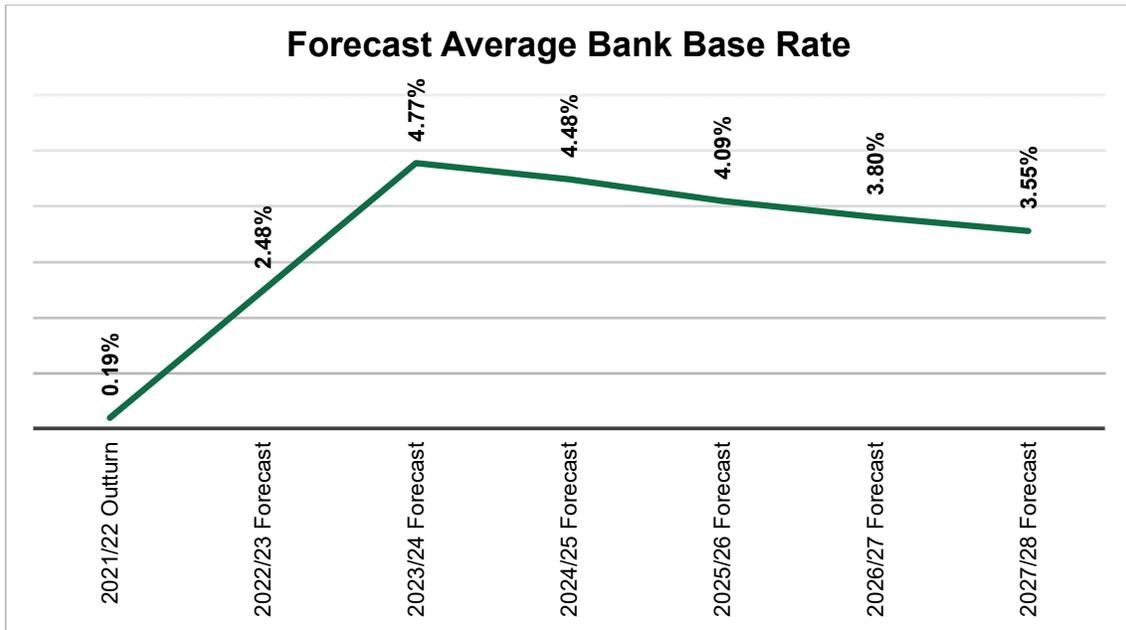
Having remained relatively static for a number of years, the bank base rate has seen a number of successive changes over recent years. This has helped make the investment income from our balances into a substantial income stream for 2023/24. Indeed, investment income for 2022/23 is now forecast at £570,000 rather than the original estimate of £50,000. The budget forecast for 2023/24 is £450,000.

The table below shows the movements that have been seen on the bank base rate:

FINANCIAL CONTEXT: Other Financial Assumptions



The Office for Budget Responsibility gave a forecast of average Bank Base Rate in the coming years in their November 2022 Economic and Fiscal Outlook:



Looking over the medium term a prudent approach has been taken in respect of our investment returns, but this is more in line with potentially reducing levels of balances in light of the many uncertainties around the future of local government funding.

It is anticipated that our general fund balance and earmarked reserves may be needed to help sustain existing services levels in the short to medium term.

As such the levels of investment income is forecast as shown below, together with details of the revised estimates and actuals going back to the 2020/21 financial year:

## FINANCIAL CONTEXT: Other Financial Assumptions

Financial Year	Original Forecast Interest Earned on Investments	Revised Forecast Interest Earned on Investments	Actual Interest Earned on Investments
2020/21	£75,000	£48,000	£44,254
2021/22	£50,000	£2,000	£14,726
2022/23	£50,000	£570,000	
2023/24	£450,000		
2024/25	£250,000		
2025/26	£200,000		
2026/27	£200,000		
2027/28	£200,000		

Looking at interest on borrowing, the council is now in a position where it has no external borrowing. During 2022/23 there was the early repayment of our outstanding balance of external debt. The budget forecast is prepared on the assumption that this position will remain and that there will be no new external borrowing over the life of the plan.

### Service Income

Service income from Fees and Charges has been budgeted to increase each year over the life of the plan. The largest forecast increase is seen in 2023/24 and reflects the level of inflation seen and the substantial increases in service provision costs. Increasing the service charges allows the costs to be partly met by those using specific chargeable services rather than the full burden falling on the council tax payer.

For 2023/24 fees and charges have generally been increased by the level of inflation in September 2022 at 10.1% and future increases are as shown below:

Financial Year	Increase Allowed for on Fees and Charges	Impact of 1% Movement
2023/24	10.1%	+/- £34,230
2024/25	2.5%	+/- £37,690
2025/26	2.5%	+/- £38,630
2026/27	2.0%	+/- £39,600
2027/28	2.0%	+/- £40,390

The budget forecast is prepared on the assumption that any increases to fees and charges will not impact service take up.

**FINANCIAL CONTEXT: Other Financial Assumptions**

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**Budget Growth Items**

A significant number of growth items were put forward in the budget setting process for 2022/23 by service committees. These were deferred pending receipt of further information on the Council's future government funding and have not been included in the budget.

The budget forecast assumes that the Council will continue with the policy that has been in place over previous years in that any growth items are to be met from corresponding savings and as such, any of the deferred growth items referred to above would need to be offset by corresponding savings in order to proceed for approval.

## Balances and Earmarked Reserves

### Reserves

There may be occasions where using reserves to soften or smooth the impact of cuts and unexpected expenditure is a valid short-term tactic provided there is a sound medium-term financial plan. CIPFA's advice (Balancing Local Authority Budgets) is that local authorities should avoid using one-off reserves to deal with gaps between recurring funding and ongoing spending. Such a tactic in itself cannot resolve such gaps and it is important that such reserves are replenished or there will be no funds to protect against the impact of future risks and unexpected expenditure.

The importance of reserves were seen in over the Covid-19 pandemic, although additional funding was provided to council's to meet their added responsibilities.

Past and current funding uncertainties have required a prudent approach to ensure financial stability and this has been reflected through the management of our general and earmarked reserves.

When comparing such balances across councils it must be borne in mind that there are differing circumstances and pressures from council to council.

This is particularly the case with regard to earmarked reserves as this is often where a local authority will build resources for a future project. This is much the case for this council, where a large proportion of our earmarked reserves are attributable to funding future capital schemes in our five year capital programme.

### General Fund Balances

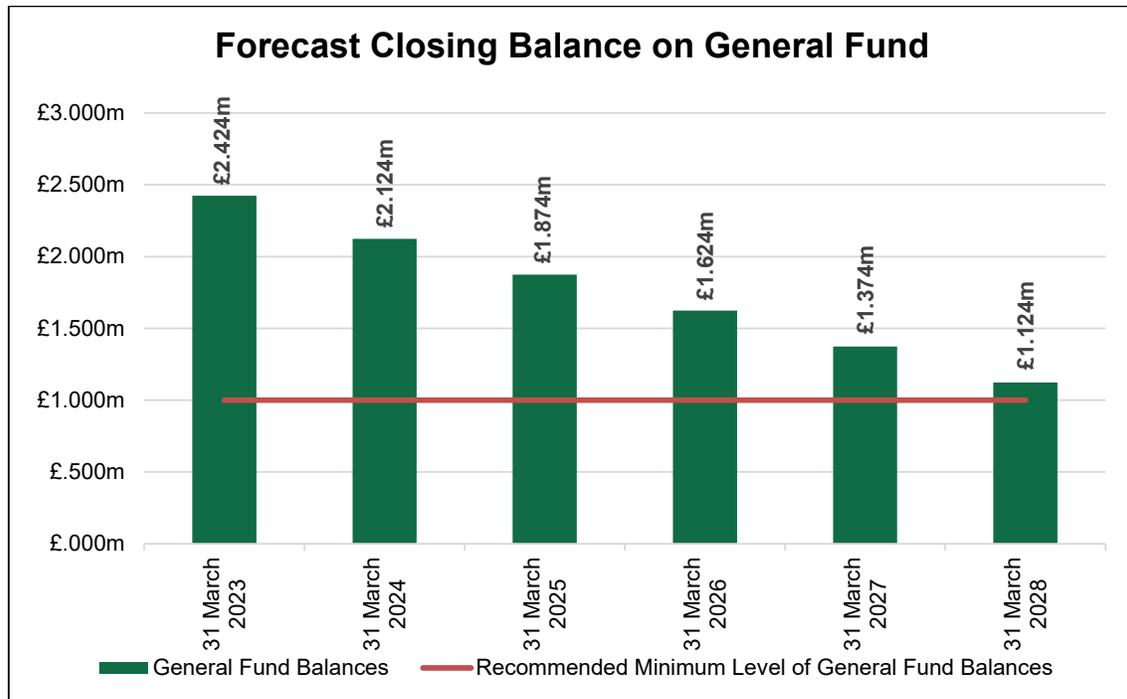
General fund balances are not set aside for any specific known or anticipated purpose.

It is very important for the council to maintain a healthy level of balances to cover for unforeseen events and also provide a stable level of resources for future planning. This is particularly important now, as there is so much uncertainty around the future of Local Government Funding.

In our Medium Term Financial Plan, we look to use an element of our general fund balances to help support the revenue budget. It must be noted that it is recommended by the council's S151 Officer (the Director of Resources) that general fund balances should not be allowed to fall below £1 million. The setting of this threshold requires a considerable degree of professional judgement, and is tailored to local circumstances and has been increased recently due to the increasing levels of inflation.

The level of use of our general fund balances for 2023/24 is forecasts at £300,000 and for each year after that to the end of the Medium Term Financial Plan in 2027/28 it is forecast to be £250,000 per annum.

**FINANCIAL CONTEXT: Balances and Earmarked Reserves**



Whilst the council forecasts use of £250,000 per annum in the medium term (£300,000 in 2023/24) to help support the revenue budget, this can not be sustained in the longer term. By the end of the Medium Term Financial Plan the council would have almost reached its recommended minimum level of general fund balances of £1 million. This also assumes no other unforeseen cost pressures arise in the meantime that may require us to use more of our general fund balances.

Whilst historically our outturn position has been more favourable, largely helped by staff vacancies, the increasing pressures through rising inflation mean that this may not be seen going forward.

**Earmarked Reserves**

We use our earmarked reserves to support both our revenue and capital budgets and over the next 5 years have a number of commitments already made. Our Earmarked Reserves play a major role in financing the capital programme, with 45% of the capital programme being financed this way. We also anticipate a number of additions to our earmarked reserves over the coming years, generally reflective of grants towards future expenditure.

The Covid-19 pandemic saw a number of years where earmarked reserve levels for all council's have been skewed by required accounting adjustments around Business Rates Section 31 Grants and the Collection Fund Deficit. For this council this meant that Earmarked Reserves at 31 March 2021 were inflated by £2,578,153 and at 31 March 2022 by £1,640,761.

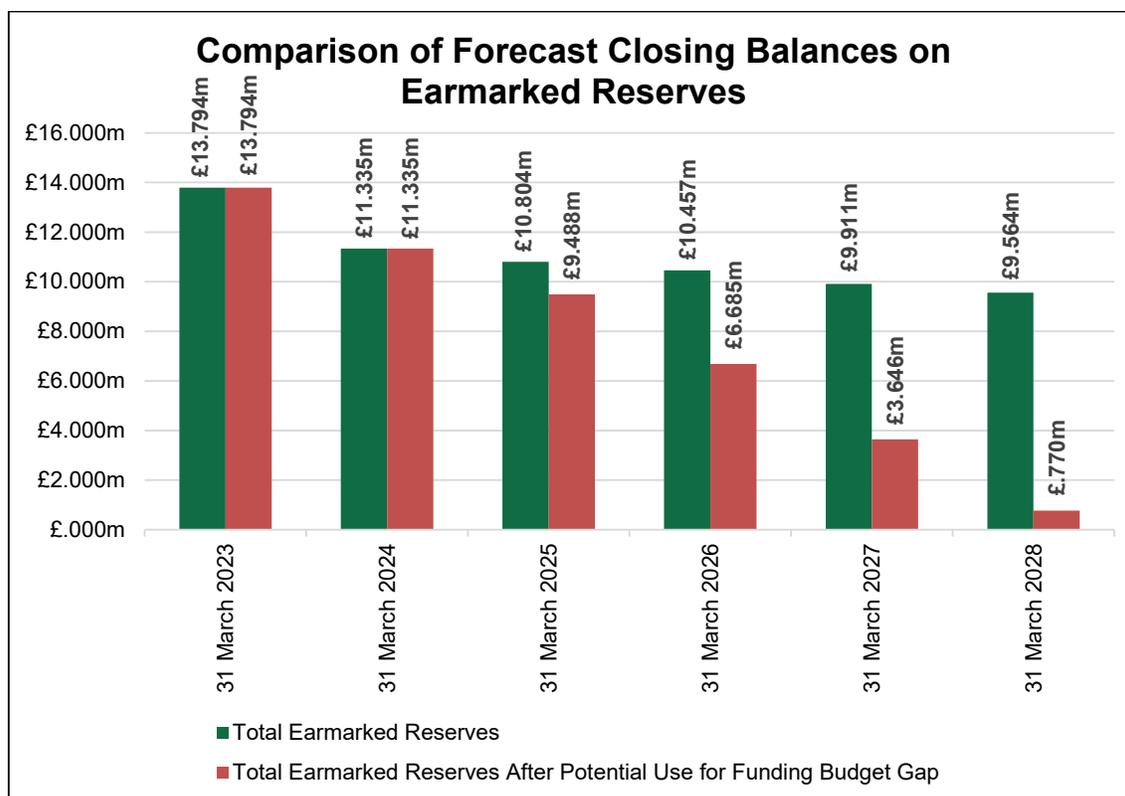
The council may need to rely on its reserves to fund its predicted budget shortfalls each year. These are based on assumptions of the impact of future key financial reforms on this Council and possible levels of transitional protection.

The Medium Term Financial Plan section of this documents provides further information on the potential budget gaps per year from 2024/25.

**FINANCIAL CONTEXT: Balances and Earmarked Reserves**

If these were to be realised then we would need to use £8.794m of our earmarked reserves between 2024/25 and 2027/28 to fund our revenue budget. This would leave earmarked reserves of only £770k at the end of 2027/28. Clearly this is not a sustainable position and we need to be able to set a balanced budget in the medium term.

The table below shows the forecast Earmarked Reserves balances should there be a need to use substantial levels of reserves to fund the forecast budget gap, and also the forecast levels of Earmarked Reserves should this not be needed:



**Adequacy of Reserves**

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.

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.

*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.

**FINANCIAL CONTEXT: Balances and Earmarked Reserves**

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- 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.

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.

In the Policy Statement published on 12 December 2022 the Government notes the increase in some local authority reserves over the two years of the pandemic.

*It encourages “local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking account, of course, of the need to maintain appropriate levels of reserves to support councils’ financial sustainability and future investment. In order to support council members and local electorates to understand the reserves that their authorities are holding and what they are used for, they will also explore releasing a user-friendly publication of the reserves data currently collected in the Local Authority Revenue Expenditure and Financing Outturn statistics. They will consult with trusted partners, including the Local Government Association, about doing this.”*

## FINANCIAL CONTEXT: Capital Programme

## Capital Programme

### Capital Programme and the Bidding Process

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.

Additionally, each year there is a bidding process for the new final year of the five-year capital programme. Such bids are examined against the council's priorities, affordability and against a number of evaluation factors.

### The Approved Five Year Capital Programme

As previously mentioned the overall capital programme is for a five year period, and whilst the coming financial year is fixed, the remaining four years of the capital programme remain in a relatively fluid state and are open to review on an annual basis.

The table below provides a summary by committee of the future five-year capital programme from 2023/24 to 2027/28.

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	TOTAL £
<b>Community Services Committee</b>	1,095,750	546,680	793,340	891,680	1,023,140	4,350,590
<b>Economic Development Committee</b>	54,750	0	0	0	0	54,750
<b>Health and Housing Committee</b>	2,933,040	513,500	443,000	443,000	443,000	4,775,540
<b>Planning and Development Committee</b>	26,420	0	0	0	0	26,420
<b>Policy and Finance Committee</b>	522,550	94,300	188,900	43,600	69,760	919,110
<b>Total for all Committees</b>	<b>4,632,510</b>	<b>1,154,480</b>	<b>1,425,240</b>	<b>1,378,280</b>	<b>1,535,900</b>	<b>10,126,410</b>

## FINANCIAL CONTEXT: Capital Programme

**Capital Financing**

The council has always sought to maximise funding for capital, including any from revenue sources.

The council's funding policy has been to set programmes which address its key priorities and to fund these by utilising prudential borrowing, capital receipts (both in hand and anticipated in year) and earmarked reserves such as Business Rates Growth Reserve, Capital Reserve, VAT shelter Reserve, New Homes Bonus Reserve, in a corporate approach.

Provided below is a summary of the proposed financing of the five-year capital programme.

<b>FINANCED FROM</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>TOTAL</b>
	£	£	£	£	£	£
<b>Grants and Contributions</b>						
Disabled Facility Grant Funding	-393,000	-393,000	-393,000	-393,000	-393,000	<b>-1,965,000</b>
Section 106 Monies	-2,139,420	0	0	0	0	<b>-2,139,420</b>
<b>Total Grants and Contributions</b>	<b>-2,532,420</b>	<b>-393,000</b>	<b>-393,000</b>	<b>-393,000</b>	<b>-393,000</b>	<b>-4,104,420</b>
<b>Borrowing</b>						
Borrowing	-72,600	0	0	0	0	<b>-72,600</b>
<b>Total Borrowing</b>	<b>-72,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-72,600</b>
<b>Earmarked Reserves</b>						
VAT Shelter Earmarked Reserve	-150,000	-100,000	-100,000	-100,000	-100,000	<b>-550,000</b>
Capital Earmarked Reserve	-449,252	-15,000	0	0	0	<b>-464,252</b>
New Homes Bonus Earmarked Reserve	-248,009	-62,860	0	0	0	<b>-310,869</b>
ICT Renewals Earmarked Reserve	-24,241	-63,400	0	0	0	<b>-87,641</b>
Vehicle Renewals Earmarked Reserve	-51,030	0	0	0	0	<b>-51,030</b>
Fleming VAT Earmarked Reserve	-5,451	0	0	0	0	<b>-5,451</b>
Business Rates Growth Earmarked Reserve	-1,071,959	-500,000	-500,000	-500,000	-500,000	<b>-3,071,959</b>
<b>Total Earmarked Reserves</b>	<b>-1,999,942</b>	<b>-741,260</b>	<b>-600,000</b>	<b>-600,000</b>	<b>-600,000</b>	<b>-4,541,202</b>
<b>Usable Capital Receipts</b>						
Usable Capital Receipts	-27,548	-20,220	-432,240	-385,280	-542,900	<b>-1,408,188</b>
<b>Total Usable Capital Receipts</b>	<b>-27,548</b>	<b>-20,220</b>	<b>-432,240</b>	<b>-385,280</b>	<b>-542,900</b>	<b>-1,408,188</b>
<b>Total Resources</b>	<b>-4,632,510</b>	<b>-1,154,480</b>	<b>-1,425,240</b>	<b>-1,378,280</b>	<b>-1,535,900</b>	<b>-10,126,410</b>

## FINANCIAL CONTEXT: **Capital Programme**

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Substantial resources have been used from the council's earmarked reserves at a time of conflicting pressure on earmarked reserves from both revenue and capital. Total earmarked reserves that will be used over the life of the proposed capital programme will be just over £4.5 million.

The use of capital receipts relies on some planned asset sales being achieved over the life of the programme. As there is a degree of uncertainty around these being achieved at this stage, the balance on the Capital Reserve gives some flexibility to meet any potential shortfall.

### **Capital Programme and the Prudential Code**

The Prudential Code requires the council to make a reasonable estimate of the total capital expenditure that it intends to incur during the forthcoming financial year and at least the following two financial years.

The Prudential Code plays a key role in capital finance in local authorities. Councils determine their own programmes for capital investment in fixed assets that are central to the delivery of quality public services. The Prudential Code was developed by CIPFA, the Chartered Institute of Public Finance and Accountancy, as a professional code of practice to support councils in making their decisions. Local authorities are required by Regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003.

A sound capital programme must be driven by the desire to provide high quality, value for money public services. The Prudential Code recognises that in making its capital investment decisions the council must have explicit regard to option appraisal, asset management planning, strategic planning for the council and achievability of the capital programme.

The Prudential Code does not specify how the council should have regard to these factors. Instead it concentrates on the means by which the council will demonstrate that its proposals are affordable, prudent and sustainable, by way of the prudential indicators.

## Financial Management Arrangements

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government and this is reviewed on an annual basis.

The Council has designated the Director of Resources as Chief Finance Officer under Section 151 of the Local Government Act 1972.

The management structure of the Council ensures that the Chief Financial Officer reports directly to the Chief Executive and is a member of the leadership team with direct responsibility for the Council's financial activities. The leadership team meets on a weekly basis to discuss matters of strategic and operational importance to the Council.

Some of the key elements of our financials management arrangements that we have in place are summarised below:

### **Financial Regulations**

The establishment of Financial Regulations provides the financial controls and procedures necessary to address the demands on local government. They also provide clarity about the financial accountabilities of individuals - Members, the Chief Executive (the Head of Paid Service), the Monitoring Officer, the Director of Resources (Section 151 Officer) and other Directors, Heads of Service and staff generally. The Regulations are therefore formally endorsed by the Council as a key part of the Council's Constitution.

The Financial Regulations provide the overall key control framework to enable the council to exercise effective financial management and control of its resources and assets. Another key purpose of the Regulations is to support and protect Members and staff in the performance of their duties where financial issues are involved.

### **Contract Procedure Rules**

The Contract Procedure Rules provide the framework for procuring our goods and services for the Council.

The Contract Procedure Rules ensure there are rules to govern how we procure goods and services to make the most effective and efficient use of resources to deliver best value for the Council and the local community.

The Rules identify what route to take when ordering goods and services for the Council and compliance with these rules is a requirement for all Council employees.

All contracts are awarded in accordance with these rules and the Financial Regulations

### **Budget Monitoring**

Regular budget monitoring is undertaken on a monthly basis between the service accountants and the various budget holders.

The variations between budget and actuals are split into groups of red, amber and green variances. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are

## FINANCIAL CONTEXT: Financial Management Arrangements

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potential areas of high concern and green variances are areas, which currently do not present any significant concern.

- Variance of more than £5,000 (Red)
- Variance between £2,000 and £4,999 (Amber)
- Variance less than £2,000 (Green)

Detailed reports on our budget monitoring are sent to our service committees on a regular basis, and further information is provided to our Corporate Management Team and Budget Working Group.

This budgetary control ensures that once Full Council has approved a revenue budget or a capital programme, the resources allocated are used for their intended purposes, i.e. the agreed priority areas, and are properly accounted for. It is a continuous process, enabling the council to review and adjust its budget targets during the financial year to make the most effective use of resources in delivering the Council's policies and objectives. The budgetary control framework in the Financial Regulations also sets out the accountabilities of managers for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, we can identify changes in trends and resource requirements at the earliest opportunity.

To ensure that the council as a whole does not over or underspend, each service is required to manage its own expenditure within approved resources and to identify any surplus resources for diversion to other programme areas. A mechanism is provided for switching funds between budget heads, including contingencies and reserves, where required, in order to maintain service levels and achieve policy objectives.

### **Budget Working Group**

The Budget Working Group is a working group of, and reporting to, our Policy and Finance Committee.

Primarily the working group is involved in the budget setting process and gives guidance to service committees on the review and development of their budgets as part of the budget setting process. They also make recommendations to our Policy and Finance in the setting of the budget.

The working group is also involved in other financial management and reporting areas, including considering responses to finance related consultations.

# Corporate Strategy

## Current Corporate Strategy

The Council's Corporate Strategy sets out the strategic direction of the Council for any given period, providing a focus to ensure that the services we deliver meet the needs of our communities.

As such, the Council's Corporate Strategy provides the overall direction for the medium term financial strategy and plan, and the annual budget.

The 2019-2023 Strategy has a four-year scope but is reviewed annually to ensure that it continues to reflect the changes to the council's priorities that occur over time.

Following the local elections taking place in May 2023 the council will develop a new Strategy, which will have a four-year life span covering 2023-2027.

The Corporate Strategy sets out the strategic direction of the Council, providing a focus to ensure that the services the Council delivers meet the needs of its communities. It is one of the Council's most important documents setting out those areas identified for focused improvement over future years.

## The Corporate Ambitions

The role of the Council's financial planning process is to support the achievement of the Council's Corporate Strategy.

In order to deliver its Vision and provide a focus for how it delivers services, the council has agreed a set of five corporate ambitions. The Council's ambitions are deliberately limited to focus attention over the life of the Corporate Strategy. Each ambition has a number of objectives, underlying actions, and key measures of success, which should allow progress towards the achievement of the ambition to be monitored.

Above all 'We aim to be a well-managed council providing efficient services based on identified customer needs' overarches all of our ambitions, whilst recognising the importance of securing a diverse, sustainable economic base for the Borough. The ambitions are driven by local needs with consideration to national ambitions.

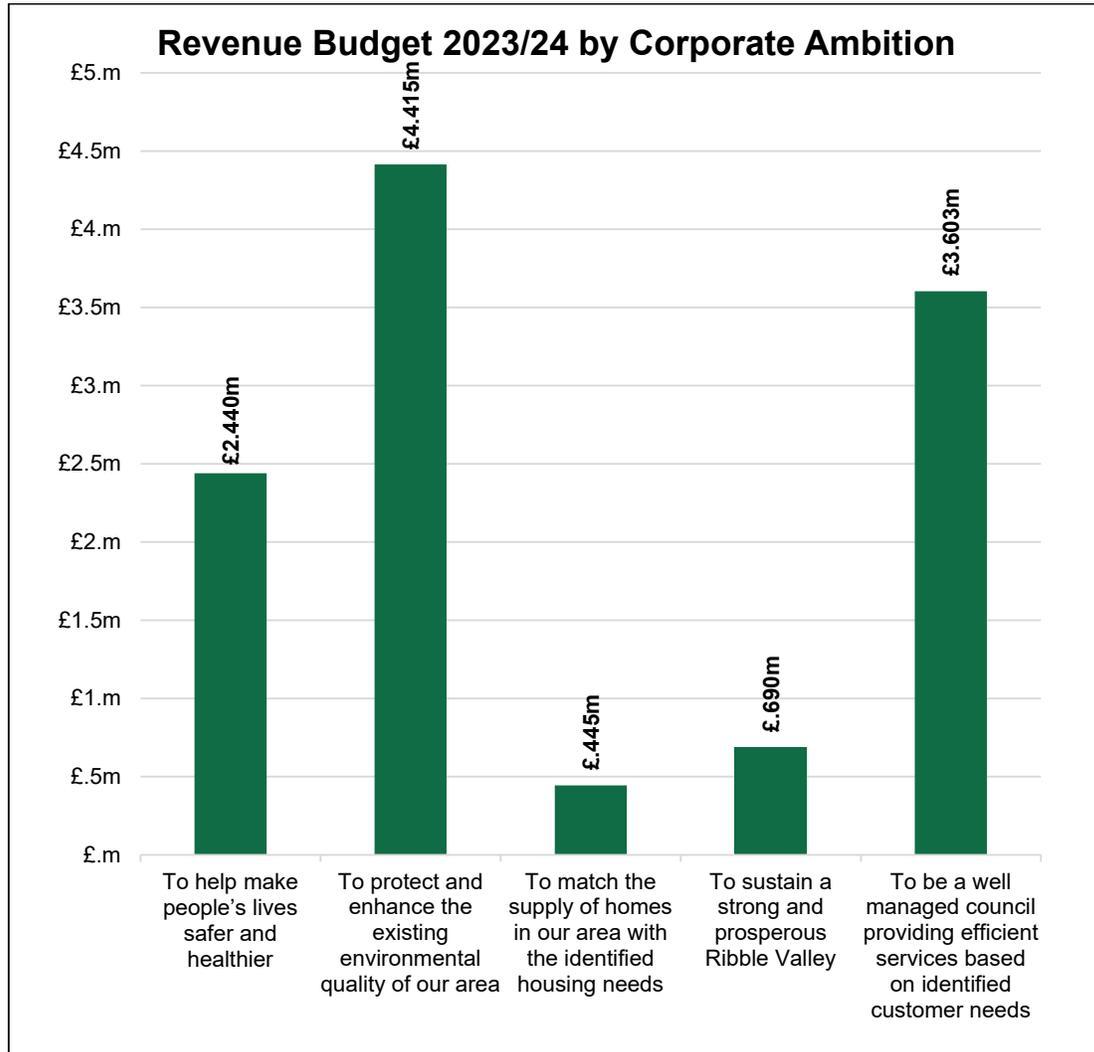
Ambition 1	Ambition 2	Ambition 3	Ambition 4	Ambition 5
To ensure a well-managed council providing efficient services based on identified customer needs.	To sustain a strong and prosperous Ribbles Valley.	To help make people's lives safer and healthier.	To protect and enhance the existing environmental quality of our area	To match the supply of homes in our area with the identified housing needs

**STRATEGIC CONTEXT: Corporate Strategy**

The tables below show how the council's revenue budget 2023/24 and the overall capital programme 2023/24 to 2027/28, as set out in the Medium Term Financial Plan at the end of this document, link to the Council's ambitions.

**Corporate Ambitions – Revenue Budget 2023/24**

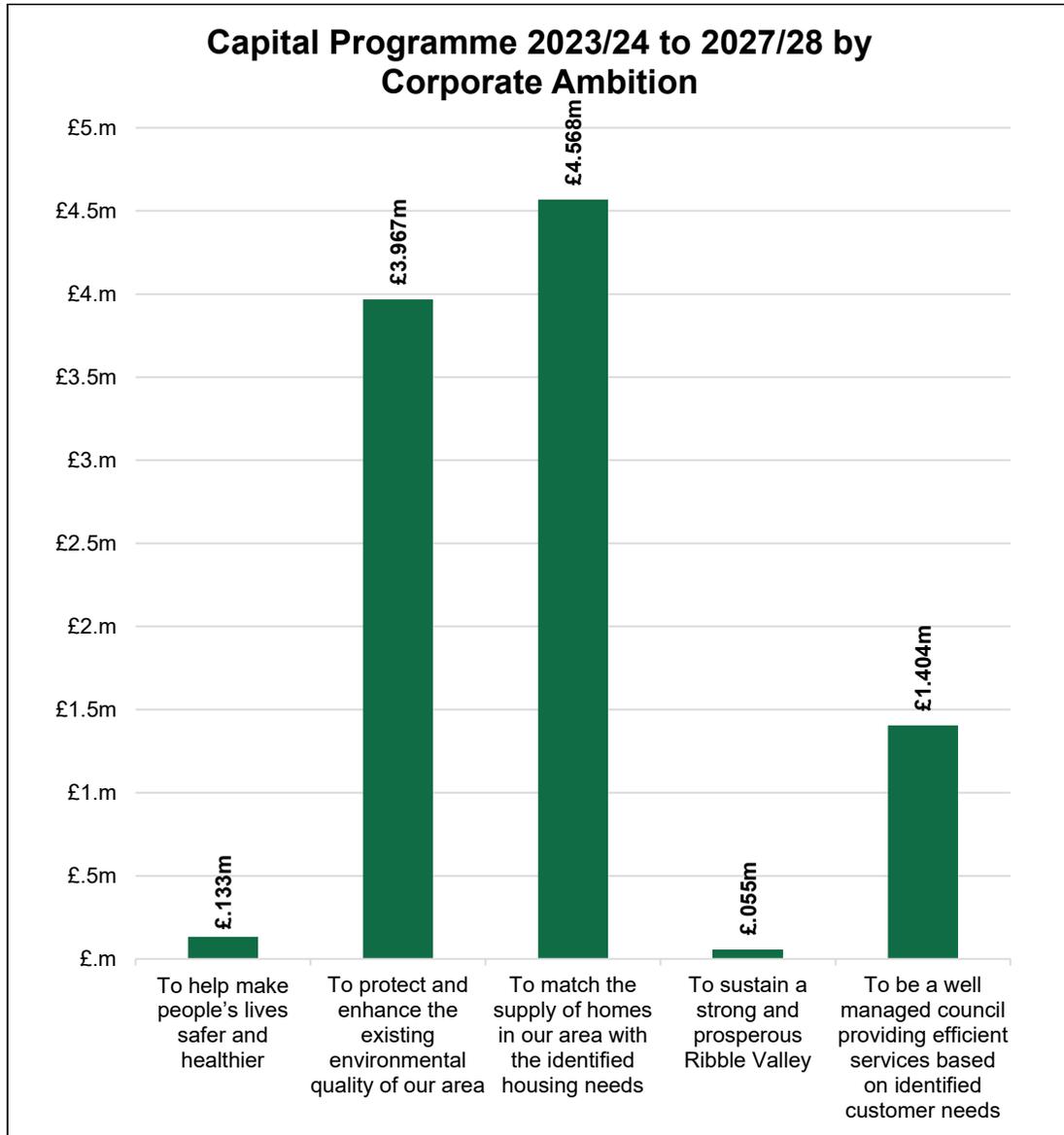
The chart below summarises the committee level net spend (after income) across the corporate ambitions for the Revenue Budget 2023/24



It is important to note the net position that is shown in these figures, as any service area that is heavily subsidised through grant, fees and charges or other income will show a relatively low net value.

**Corporate Ambitions – Capital Programme 2023/24 to 2027/28**

The chart below shows the total planned capital programme spend over the five year life of the capital programme. Unlike the net revenue position there is no offsetting of financing of the capital programme.



## Corporate Risk Management

### Risk Management Process

The Council's risk management approach is designed to form an integral part of the performance management approach of the Council.

Risks are scored based on their gross and net likelihood and impact levels, gross being the likelihood and impact level if no controls were in place and net being the risk level once controls have been considered.

Risks are then allocated an overall risk score based on these levels, translating to green risks, amber risks and red risks. All red risks are closely monitored and reported in detail to Corporate Management Team and Accounts and Audit Committee.

Risk owners are required to enter perceived and real risks onto the Risk Management System. This process ensures the Council maintains Service and Corporate Risk Registers, underpinning the organisation's overarching Strategic Risk Register. The compilation and maintenance of an up to date and comprehensive Corporate and Strategic Risk Register is one of the key elements of the Council's Risk Management Policy.

### Current Key Strategic Risks

These risks are monitored and maintained on a regular basis and action taken where necessary.

Shown below is the list of Strategic Risks, giving the inherent risk description to the authority if no controls were in place:

- Data loss, disruption and/or damage to reputation due to a cyber attack
- Inability to set an affordable and sustainable budget over the short to medium-term resulting in the issuing of a Section 114 notice
- Heightened levels of fraud, including cyber fraud, due to pressures in the current economic climate
- Failure of the council to embed appropriate safeguarding arrangements.
- Reduced funding resulting in the inability to deliver discretionary services.
- The council is unable to ensure the resilience of key operations and business activities due to lack of robust business continuity plans
- Death or life changing injury due to a lack of robust health and safety processes.
- Failure to deliver services due to workforce capacity issues.
- Failure to meet requirements equalities legislation.
- Failure to identify and embed legislative requirements due to lack of or outdated policies and procedures.

**STRATEGIC CONTEXT: Corporate Risk Management**

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- Partnership working opportunities are not taken advantage of to improve the borough infrastructure.
- Failure to deliver the Local Plan leading to harm to the borough's environment, heritage assets and communities and missed opportunities for economic and housing growth.
- Failure to deliver new Local Plan
- Service and local economy provision does not match community requirements or expectations.
- Failure to plan and/or respond to emergency events when they occur.
- Failure to deliver the Council's Climate Change Strategy to reduce carbon emissions, adversely affecting the natural environment.

Whilst the above is a list of the current strategic risks there are of course a number of mitigating actions and controls that reduced the residual level of risk experienced by the council in this respect.

**Risk Management and the Medium Term Financial Strategy and Plan**

As part of the budget setting process actions and controls needed to mitigate the above strategic risks and operational risks are, where relevant, included within budgets. Where this has not been the case or where an unexpected risk outcome is realised, then the council relies on the availability of its general fund balance to help in addressing such risks.

Other costs that arise through the transfer of risk, such as insurance cover are also included with the budget plan.

## National Policy and Pressures

### **Reforms to Business Rates Retention**

The council will remain a member of the Lancashire Business Rate Pool next year and will retain a levy which would otherwise be payable on any growth we receive above our baseline. Estimate Business Rate income for the council will be £2.215m.

Each year assumptions are made on the level of write-off's, appeals, growth, reliefs etc. This continues to be difficult and made more complex due to the 2023 Revaluation.

It is assumed that the pooling arrangements will continue in 2024/25. Beyond 2024/25 we await the outcome of the delayed reforms to Business Rate Retention which could have a significant impact on how much income the council could expect to retain in future to support its budget.

### **New Homes Bonus Review**

The 2023/24 financial year is almost certainly the final year of the New Homes Bonus scheme. The council will receive a significant reduction in its allocation in 2023/24 at £506k. Previously the council has relied on using £1.105m to fund the revenue budget each year. The council's allocation has also been used to fund the capital programme. Its removal will have a significant impact on the Council's budget in future years.

### **Fair Funding Review**

The Government has clarified that the Review of Relative Needs and Resources (also known as the Fair Funding Review) and a reset of accumulated business growth will not be implemented in the current Parliament. The impact of the review will no doubt be significant. The council's Budget Working Group will be kept up to date with regard to any developments.

### **Waste Collection - Extended Producer Responsibility for Packaging (EPR)**

The Government have said that Local authorities can expect to receive new income, subject to the Extended Producer Responsibility for Packaging (EPR) coming into force during 2024/25. The Government will assess the impact of additional EPR income on the relative needs and resources of councils, particularly shire district councils. The council also await the announcement of new burdens funding to ensure we are able to meet the significant costs of the weekly collection of food waste if this is brought in by the Government.

# Medium Term Financial Plan

## Revenue Budget Forecast 2023/24 to 2027/28

## Revenue Budget Forecast 2023/24 to 2027/28

Taking into consideration all of the various elements reviewed in the Medium Term Financial Strategy section of this document, the table below presents the forecast Medium Term Financial Plan covering the next five-years:

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Net Budgeted Expenditure	9,883,530	10,344,256	10,607,188	10,818,732	11,034,507
Less Interest earned on investments	-450,000	-250,000	-200,000	-200,000	-200,000
<b>Net Budget</b>	<b>9,433,530</b>	<b>10,094,256</b>	<b>10,407,188</b>	<b>10,618,732</b>	<b>10,834,507</b>
<b><u>Less Funding</u></b>					
<b>Core Government Funding</b>					
Business Rates baseline	1,405,077	1,405,077	1,405,077	1,405,077	1,405,077
Revenue Support Grant	48,588	48,588	48,588	48,588	48,588
Rural Services Delivery Grant	113,250	113,250	113,250	113,250	113,250
Services Grant	52,612	52,612	52,612	52,612	52,612
<b>Other Funding</b>					
Use of New Homes Bonus	506,197	0	0	0	0
Use of Business Rate Growth	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000
One-Off Funding Guarantee	788,858	0	0	0	0
Potential Transitional Protection	0	577,149	579,277	581,470	583,728
Use of General Fund Balances	300,000	250,000	250,000	250,000	250,000
Collection Fund Surplus	80,012	25,000	25,000	25,000	25,000
<b>Still to be funded</b>	<b>4,138,936</b>	<b>5,622,581</b>	<b>6,933,384</b>	<b>7,142,735</b>	<b>7,356,252</b>
<b>Council Tax Income:</b>					
Assumed Band D <i>(increasing by £5 pa)</i>	165.69	170.69	175.69	180.69	185.69
Assumed Taxbase <i>(increasing by 1% pa)</i>	24,980	25,230	25,482	25,737	25,994
<b>Precept (amount raised from council tax)</b>	<b>4,138,936</b>	<b>4,306,475</b>	<b>4,476,950</b>	<b>4,650,404</b>	<b>4,826,879</b>
<b>Budget Gap</b>	<b>0</b>	<b>1,316,106</b>	<b>2,456,434</b>	<b>2,492,331</b>	<b>2,529,373</b>

## Revenue Budget Forecast 2023/24 to 2027/28

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The Budget Forecast has been produced based upon latest budget projections. Whilst the council has only received (in theory) a two year settlement a view has been taken on what potential protection the council could receive for the years to 2027/28. This is based on the current spending power excluding the one-off transition grant. It must be stressed these are very much estimates in the absence of any firm information from the Government.

It is further complicated by the fact that a general election will take place some time in the next two years, so for 2025/6 there will be a new Government who may have a different approach to local government finance.

In summary there have been the following assumptions in updating the council's budget forecast:

- a £5 increase in our council tax going forward each year until 2027/28
- a 1% increase in our taxbase
- we will receive transitional protection from the Government as set out earlier in the report
- £1m will be taken from general fund balances over the future 4 years.
- the Bank of England achieves its target and inflation returns to 2% per annum during 2024/25.
- no growth items are included.
- any significant new burdens on the Council are fully funded.

The forecast also assumes that following the two year settlement the estimated income from business rates will fall by £1m to £1.2m to reflect the likely resetting of the business rates baseline.

### Potential future Use of Earmarked Reserves

The council may need to rely on its reserves to fund the predicted budget shortfalls each year. These are based on assumptions of the impact of future key financial reforms on this Council and possible levels of transitional protection.

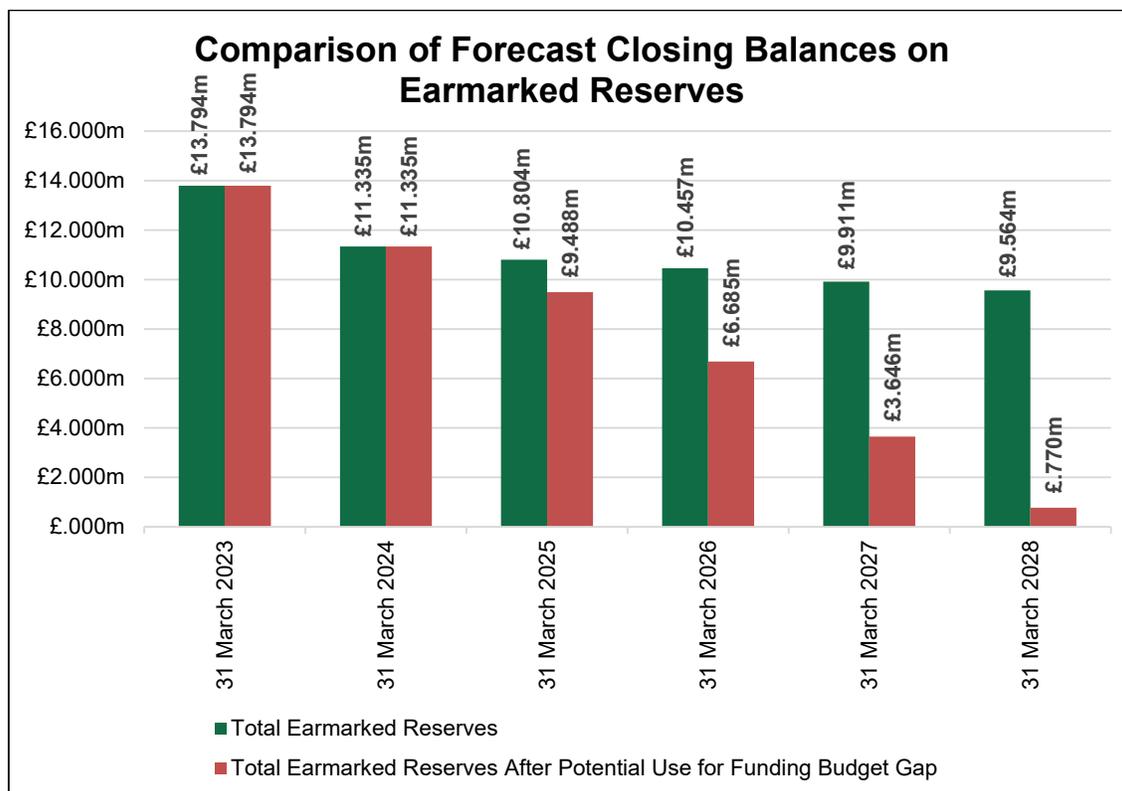
If these were to be realised then the council would need to use £8.794m of its earmarked reserves between 2024/25 and 2027/28 to fund the revenue budget. This would leave earmarked reserves of only £770k at the end of 2027/28.

The table below shows the forecast Earmarked Reserves balances should there be a need to use substantial levels of reserves to fund the forecast budget gap, and also the forecast levels of Earmarked Reserves should this not be needed.

Clearly this is not a sustainable position and the council needs to be able to set a balanced budget in the medium term.

As such, the council's Budget Working Group will begin work to address the budget deficit forecast from 2024/25 onwards early in the new municipal year.

Revenue Budget Forecast 2023/24 to 2027/28



**Risk and Sensitivity**

There are a number of risks with the medium term financial strategy as fluctuations in some of the underlying assumptions can produce significant changes to the forecast.

The table below shows some of the areas of sensitivity and the potential impact on the strategy, based on the original estimate for 2023/24.

Budget Area of Sensitivity	Percentage Fluctuation	Annual Impact on Budget
Direct Employee Costs	1.00%	£83,200
Energy Costs	1.00%	£10,900
Vehicle Fuel	1.00%	£4,100
Short Term Investment Interest Rates	1.00%	£155,000
Customer and Client Receipts	1.00%	£35,390
Settlement Funding Assessment	1.00%	£14,537

In terms of impact on the council tax, each budget adjustment of +/-£100,000 – if fully funded from Council Tax - would have the effect of changing council tax at Band D equivalent by +/-£4.00 or a further +/-2.4% (based on a Band D council tax charge of £165.69 for 2023/24).

Revenue Budget Forecast 2023/24 to 2027/28

On the other hand, for every additional 1% increase in the level of the 2023/24 council tax charge at Band D (which would be subject to referendum), an additional £40,140 council tax revenue would be raised and therefore, for every 1% decrease in the level of council tax, savings of £40,140 would need to be identified or alternative funding such as use of balances would need to be found (based on a Band D council tax charge of £165.69 for 2023/24).

In terms of the Settlement Funding Assessment that is to be received for 2023/24, this will support approximately 26% of the council's budget requirement and so any variation has a major impact. A variation of 1% in this funding would amount to £14,537.

The table below provides a summary of the main financial risks facing the council, and their potential impact and our mitigating actions.

Risk	Risk Level	Mitigation
Business Rates Growth Retention	High	There is a high level of uncertainty around the future level of business rates growth, or downturn. With our membership of the Lancashire Business Rates Pool, we continue to maintain a Business Rate Volatility earmarked reserve in order to cushion future fluctuations.
The outcomes of the planned consultation on proposals for the New Homes Bonus Scheme going forward may adversely affect this council.	High	There has been a high reliance on the New Homes Bonus that is received in supporting the revenue budget and also in funding the Capital Programme.  Reliance has fallen in 2023/24 due to the falling levels of New Homes Bonus received. The forecast also assumes that no New Homes Bonus funding will be received after 2023/24.
The fair funding review will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, using the best available evidence. There is a risk that this council may be adversely affected.	High	Ensure the council's input to the consultation document and support the Rural Services Network in their work.

Revenue Budget Forecast 2023/24 to 2027/28

Risk	Risk Level	Mitigation
Pay Awards, fee increases and price inflation higher than assumed	High	The impact of any such increases would likely be absorbed by the use of the Council's General Fund balances, or the identification of compensating savings.
Past savings that have been identified by Heads of Service do not continue to be achieved	Medium	Regular monitoring of budgets and meetings with Heads of Service where savings have been identified in order to enable early corrective action if required.
A financial institution that has been invested in is unable to repay the principal sum to the council	Medium	This risk is managed through the Capital and Treasury Management Strategy. The markets are regularly monitored and discussions held with the Director of Resources, Head of Financial Services and Senior Accountant daily.
Identified savings required are not achieved	Medium	Through stringent budget monitoring and sound working practices in the review of savings needed and through the work of the Budget Working Group the required savings/funding will be found and will also be met in year.
Expenditure is not contained within the approved budgets	Low	The council has a well-developed budget monitoring process which enables early identification of variances and allows corrective action to be taken.

## Five Year Capital Programme 2023/24 to 2027/28

The capital programme that has been set for the 2023/24 to 2027/28 is detailed below. The capital programme will be reviewed annually and as such could change for the years 2024/25 onwards as part of these reviews.

The revenue implications of the 2023/24 financial year have been included in the Revenue Budget Forecast 2023/24 to 2027/28.

	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£	£	£	£	£	£
<b>COMMUNITY SERVICES COMMITTEE</b>						
Castle Keep Lime repointing Works and Repairs (Moved from 2022/23)	307,600					307,600
Replacement of Refuse Iveco Tipper (PO60 AYK) (Moved from 2022/23)	46,000					46,000
Replacement of High Top Transit Van PJ63 WUC (Moved from 2022/23)	34,500					34,500
Mardale Playing Pitches Drainage (Moved from 2022/23)	80,440					80,440
Edisford Playing Pitches Drainage Works (Moved from 2022/23)	10,900					10,900
Play Areas Refurbishment Programme	108,600	111,320	114,100	116,950	119,880	570,850
Replacement of Refuse Wheelie Bins	14,000	14,500	15,000	15,500	15,500	74,500
Replacement of Refuse Collection Vehicle VN12 KYK	246,200					246,200
Replacement of Refuse Collection Vehicle VN65 WHR		281,000				281,000
Replacement of Refuse Collection Vehicle VN17 DKA			288,000			288,000
Replacement of Refuse Collection Vehicle VE18 JXP				295,000		295,000

## Five Year Capital Programme 2023/24 to 2027/28

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	TOTAL £
Replacement of Refuse Collection Vehicle VF19 CUV					302,000	302,000
Replacement of Paper Collection Vehicle SY11 CRK			63,000			63,000
Replacement of Paper Collection Vehicle VO13 UVV			63,000			63,000
Replacement Kubota Mower PO15 HYJ	30,000					30,000
Replacement of 2 Scag Mowers (rvbc014 + rvbc015) and 1 Scag 4x4 Mower (rvbc016)		26,000				26,000
Replacement of Kubota Mower PO67 BNV		30,000				30,000
Replacement Drain Jetter - trailer mounted		19,300				19,300
Replacement of JCB Loadall			135,000			135,000
Replacement of Fork Lift Truck			20,000			20,000
Replacement of Parking Van CX68 FCG				21,000		21,000
Replacement of 2 x Ford Ranger Pick Ups (YR18 TVA & YR18 DXD)				67,000		67,000
Replacement of Ro-Ro 7.5 Tonne Truck PL66 HHZ				76,000		76,000
Replacement of 110hp Gang Mower Tractor PO16 MZL				108,000		108,000
Replacement of Toro Flail Mower AF68 MSX				64,000		64,000
Replacement of Kubota Ride On Mower PO68 BBK				32,000		32,000
Replacement of Car Parking Van MM19 WEK					21,000	21,000

MEDIUM TERM FINANCIAL STRATEGY AND PLAN 2023/24 TO 2027/28

Five Year Capital Programme 2023/24 to 2027/28

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	TOTAL £
Replacement of Multi-Use Refuse Collection Vehicle PF18 JUC					181,000	181,000
Replacement of Petrol Powered Hand Tools and Blowers with Battery Powered Units					56,000	56,000
Replacement of Kubota Mini Digger, Breaker and Trailer					48,000	48,000
Replacement of Iveco Daily Tail Lift Tipper PL68 HRO					75,000	75,000
Replacement of High Top Long Wheel Based Van CX17 GZE					53,000	53,000
Sabden Public Conveniences Refurbishment	35,600					35,600
Dunsop Bridge Public Conveniences Refurbishment		12,850				12,850
Edisford Public Conveniences Refurbishment			42,240			42,240
Bolton-By-Bowland Public Conveniences Refurbishment				41,900		41,900
Chatburn Public Conveniences Refurbishment					15,680	15,680
Roof Renewal and Upgrade to Parks Store Building in Castle Grounds	69,400					69,400
Longridge Depot 'Ambulance' Shed Refurbishment	47,500					47,500
Replacement of Concrete Bays to Rear of Depot	32,400					32,400
Car Parks Resurfacing Rolling Programme		51,710	53,000	54,330	55,690	214,730
Ribblesdale Pool Fire Alarm Upgrade					20,490	20,490
Ribblesdale Pool Feasibility Study	32,610					32,610

Five Year Capital Programme 2023/24 to 2027/28

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	TOTAL £
Re-laying of Roadway to the Castle Keep					44,500	44,500
Ribblesdale Pool Barrier and Safety Fencing					15,400	15,400
<b>Total Community Services Committee</b>	<b>1,095,750</b>	<b>546,680</b>	<b>793,340</b>	<b>891,680</b>	<b>1,023,140</b>	<b>4,350,590</b>
<b><u>ECONOMIC DEVELOPMENT COMMITTEE</u></b>						
Economic Development Initiatives <i>(Moved from 2022/23)</i>	54,750					54,750
<b>Total Economic Development Committee</b>	<b>54,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,750</b>
<b><u>HEALTH AND HOUSING COMMITTEE</u></b>						
Clitheroe Market Improvements <i>(Moved from 2022/23)</i>	72,600					72,600
Replacement of Pest Control Van PK13 FJP <i>(Moved from 2022/23)</i>	32,280					32,280
Replacement of Dog Warden Van PE64 EYC <i>(Moved from 2022/23)</i>	32,500					32,500
Equity Share Option Schemes <i>(Moved from 2022/23)</i>	422,130					422,130
Affordable Housing - Longridge <i>(Moved from 2022/23)</i>	1,625,950					1,625,950
Disabled Facilities Grants	393,000	393,000	393,000	393,000	393,000	1,965,000
Landlord/Tenant Grants	50,000	50,000	50,000	50,000	50,000	250,000
Drainage to New Section of Clitheroe Cemetery	0	70,500				70,500
Temporary Housing Scheme	304,580					304,580
<b>Total Health and Housing Committee</b>	<b>2,933,040</b>	<b>513,500</b>	<b>443,000</b>	<b>443,000</b>	<b>443,000</b>	<b>4,775,540</b>

## Five Year Capital Programme 2023/24 to 2027/28

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	TOTAL £
<b>PLANNING AND DEVELOPMENT COMMITTEE</b>						
Introduction of planning portal link to the planning application system and planning system update <i>(Moved from 2022/23)</i>	26,420					26,420
<b>Total Planning and Development Committee</b>	<b>26,420</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,420</b>
<b>POLICY AND FINANCE COMMITTEE</b>						
Brookfoot Footbridge, Ribchester- Replacement of Bridge <i>(Moved from 2022/23)</i>	110,000					110,000
ICT Infrastructure Refresh <i>(Moved from 2022/23)</i>	116,600					116,600
Network Infrastructure <i>(Moved from 2022/23)</i>	30,000					30,000
Revenues and Benefits Replacement Server	24,000					24,000
Cyber Security Solutions Refresh	62,100					62,100
Replacement Air Conditioning Units in Server Room	10,700					10,700
E-Recruitment System (including On-boarding)	44,000					44,000
Replacement PCs		70,600				70,600
Firewall Refresh		23,700				23,700
Council Offices Fire Alarm Upgrade					69,760	69,760
Council Offices Mains and LED Lighting Upgrade	97,750					97,750
Software Upgrade for Regulatory Services			188,900			188,900
Replacement ICT Equipment for Councillors				43,600		43,600

## Five Year Capital Programme 2023/24 to 2027/28

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	TOTAL £
Technology Forge Upgrade	27,400					27,400
<b>Total Policy and Finance Committee</b>	<b>522,550</b>	<b>94,300</b>	<b>188,900</b>	<b>43,600</b>	<b>69,760</b>	<b>919,110</b>
<b>Total for all Committees</b>	<b>4,632,510</b>	<b>1,154,480</b>	<b>1,425,240</b>	<b>1,378,280</b>	<b>1,535,900</b>	<b>10,126,410</b>

The capital programme is to be financed in the following manner:

FINANCED FROM	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	TOTAL £
<b>Grants and Contributions</b>						
Disabled Facility Grant Funding	-393,000	-393,000	-393,000	-393,000	-393,000	-1,965,000
Section 106 Monies	-2,139,420	0	0	0	0	-2,139,420
<b>Total Grants and Contributions</b>	<b>-2,532,420</b>	<b>-393,000</b>	<b>-393,000</b>	<b>-393,000</b>	<b>-393,000</b>	<b>-4,104,420</b>
<b>Borrowing</b>						
Borrowing	-72,600	0	0	0	0	-72,600
<b>Total Borrowing</b>	<b>-72,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-72,600</b>
<b>Earmarked Reserves</b>						
VAT Shelter Earmarked Reserve	-150,000	-100,000	-100,000	-100,000	-100,000	-550,000
Capital Earmarked Reserve	-449,252	-15,000	0	0	0	-464,252
New Homes Bonus Earmarked Reserve	-248,009	-62,860	0	0	0	-310,869
ICT Renewals Earmarked Reserve	-24,241	-63,400	0	0	0	-87,641
Vehicle Renewals Earmarked Reserve	-51,030	0	0	0	0	-51,030
Fleming VAT Earmarked Reserve	-5,451	0	0	0	0	-5,451
Business Rates Growth Earmarked Reserve	-1,071,959	-500,000	-500,000	-500,000	-500,000	-3,071,959
<b>Total Earmarked Reserves</b>	<b>-1,999,942</b>	<b>-741,260</b>	<b>-600,000</b>	<b>-600,000</b>	<b>-600,000</b>	<b>-4,541,202</b>
<b>Usable Capital Receipts</b>						
Usable Capital Receipts	-27,548	-20,220	-432,240	-385,280	-542,900	-1,408,188
<b>Total Usable Capital Receipts</b>	<b>-27,548</b>	<b>-20,220</b>	<b>-432,240</b>	<b>-385,280</b>	<b>-542,900</b>	<b>-1,408,188</b>
<b>Total Resources</b>	<b>-4,632,510</b>	<b>-1,154,480</b>	<b>-1,425,240</b>	<b>-1,378,280</b>	<b>-1,535,900</b>	<b>-10,126,410</b>

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

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meeting date: 28 MARCH 2023  
title: LOCAL TAXATION WRITE OFFS  
submitted by: DIRECTOR OF RESOURCES  
principal author: MARK EDMONDSON

### 1 PURPOSE

1.1 To obtain Committee's approval to write off Business Rates debts.

1.2 Relevance to the Council's ambitions and priorities:

- **Council Ambitions/Community Objectives/Corporate Priorities**

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

### 2 BACKGROUND

2.1 No specific statute exists to give guidance on the circumstances under which debts, in general, can be written off other than the statute of limitations. Any debt for which recovery action has not been taken within six years still remains but legal action cannot be taken.

#### **Business Rates**

2.2 As a matter of law, we are under obligation to take reasonable steps to collect Business Rates debts.

2.3 We do this by various means, including summonses, enforcement agents, bankruptcy, winding up and committal warrants. However, there are some cases where debtors simply leave their property with arrears and where we have no forwarding address, or are declared bankrupt, insolvent or cease trading.

### 3 CURRENT POSITION

3.1 There are two cases where the company has been dissolved. The Annex attached shows details of the debt we are seeking approval to write off – these total £10,666.89 in business rates with £180.00 costs.

### 4 FINANCIAL IMPLICATIONS

4.1 Under the **current** Business Rate Pool arrangements the cost of Business Rate write offs are met in part by central government 50% and in part by local government, i.e. ourselves 40%, the county council 9% and the fire and rescue authority 1%.

### 5 RECOMMENDED THAT COMMITTEE

5.1 Approve writing off total £10,666.89 in business rates with £180.00 costs where it has not been possible to collect the amount due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

**ANNEX 1**  
**Write offs – NNDR**

<b>Year</b>	<b>Name</b>	<b>Amount £</b>
<b><i>DISSOLVED</i></b>		
Dissolution is the last stage of liquidation, the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed.		
2021/22	Maleek Cargo LTD	Ramsgreave Bakery, Pleckgate Road, Blackburn
		*4,471.62
2021/22	The Buck Inn Limited	Buck Inn, 11 Lowergate, Clitheroe
2022/23		*3,016.61
<b>Total</b>		<b>10,846.89</b>

**\*Inclusive of £60.00 costs**

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

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meeting date: 28<sup>th</sup> MARCH 2023  
 title: UK SHARED PROSPERITY FUND  
 submitted by: DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING  
 principal author: NICOLA HOPKINS – DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING

### 1 PURPOSE

1.1 To seek a decision from Members in respect of the use of our UK Shared Prosperity Fund allocations for 23/24 and 24/25.

1.2 Relevance to the Council’s ambitions and priorities:

- Community Ambitions-
  - To sustain a strong and prosperous Ribble Valley.
  - To help make people’s lives safer and healthier.
- Corporate Objectives –
  - To work with our partners to ensure that the infrastructure in the Ribble Valley is improved.
  - To promote stronger, more confident, and more active communities throughout the borough.

### 2 BACKGROUND

2.1 On 13th April 2022 the UK Shared Prosperity Fund (UKSPF) was launched by the Department for Levelling Up, Housing & Communities. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. Ribble Valley’s conditional allocation is £1,967,754 over the three-year funding period.

2.2 On 5<sup>th</sup> December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) confirmed that our Investment Plan had been accepted. The Secretary of State has allocated funding for 2022/23 with indicative allocations for the further two financial years up to and including 2024/25. The annual breakdown is shown in the table below.

Allocation 2022/2023 (£)			Indicative allocation 2023/2024 (£)	Indicative allocation 2024/2025 (£)
Capital	Revenue	Capacity	477610	1251339
189000	49805	20000		

2.3 The Council’s Investment Plan including several projects to deliver this financial year and Members of Policy and Finance Committee (24<sup>th</sup> January 2023) agreed to move these forward along with some further suggestions from the Working Group. Work is ongoing in respect of:

- Rail Feasibility study
- Additional CCTV Provision (pilot project)

- Refurbishment of Mardale Playing Field Changing Rooms, Longridge including resurfacing the car park
- Clitheroe Market Feasibility Study
- Business support for net zero transition & decarbonisation
- EV charging points in villages feasibility study.

### 3 FUTURE FINANCIAL YEARS

3.1 Whilst the release of payments for the financial years 2023-24 and 2024-2025 is dependent on the submission of a Statement of Grant Usage for 2022-23 and 2023-2024 spend and corresponding reporting and monitoring returns Members intentions for our allocations is sought now so that the preparatory work can begin.

3.2 Members may recall that the fund identified three priorities, People and Skills, Communities and Place and Supporting Local Business with specific interventions identified to help meet the three priorities. Members of the Emergency Committee on 2<sup>nd</sup> August 2022 agreed to target the following priorities and interventions with our UKSPF (the investment plan was required to be supported by an indicative expenditure profile which included the figures beside each intervention below):

#### COMMUNITY AND PLACE PRIORITY

- E1: Improvements to town centres & high streets- £1,140,000
- E2: Community & neighbourhood infrastructure projects- £111,000 (£50,000 allocated to Mardale car park improvements). **Remaining = £61,000**
- E3: Creation of and improvements to local green spaces- £335,000 (£126,000 allocated to Mardale changing room improvements). **Remaining= £209,000**
- E4: Enhancing existing cultural, historic & heritage institutions offer- £50,754
- E5: Built & landscaped environment to 'design out' crime- £50,000
- E8: Campaigns to encourage visits and exploring of local area- £10,339
- E15: Digital connectivity for local community facilities- £70,856

#### SUPPORTING LOCAL BUSINESSES PRIORITY

- E16: Open markets & town centre retail & service sector- £100,000
- E17: Development & promotion of visitor economy-£10,000
- E23: Strengthening local entrepreneurial ecosystems- £35,000 **(all committed to Business support for net zero transition & decarbonisation)**
- E29: Supporting decarbonisation & improving natural environment -£35,000 (ties into E23 above) **(all committed to Business support for net zero transition & decarbonisation)**
- E31: Support relevant feasibility studies- £21,805 (£6,000 allocated to the Clitheroe market feasibility work, £6,450 allocated to rail study and £2,000 allocated to the car park electric charging points study). **Remaining= £5,355**

3.3 In total £1,709,304 of our conditional allocation is not yet allocated to a scheme. The split of spend (including likely roll over from this year's allocation is- approximately £13,000 capital and £25,355 revenue and deducting £30,000 per year from revenue for the Business support for net zero transition & decarbonisation project) is:

2023/24		2024/25	
Capital	Revenue	Capital	Revenue

£374,000	£111,965	£1,161,000	£60,339
<b>TOTAL= £485,965</b>		<b>TOTAL= £1,221,339</b>	

3.4 Members should note that the underspend reported to DHLUC on 17<sup>th</sup> March was £100,000 capital and £31,805 revenue to reflect the fact the some of the 2022/23 projects are ongoing and some of the work to be paid from the first year's allocation has yet to be paid for. The above figures reflect unallocated funding.

3.5 Members will note that some of the interventions identified within our investment plan do not have projects listed against them currently. It is possible to make changes to our Investment Plan as we move forward and approval from DHLUC will only need to be sought when "material changes" are made to UKSPF investment plans.

3.6 At the Special meeting of this Committee on 14<sup>th</sup> February the numerous projects which have been suggested to date for usage of this fund were presented to Members. Members agreed to:

That the UKSPF Working Group is arranged for further consideration of the projects, and they be advised that provisional allocations of funds be as follows:

- Clitheroe £800,000, Longridge £400,000 and Whalley £400,000

3.7 The Working Group met on 2nd March and their recommendations are set out below.

#### **4 RECOMMENDATIONS**

##### ***Castle Street Improvements***

4.1 At the Special Committee meeting Members were advised the LCC's Conservation Area Enhancement Scheme had been capped for each Authority at £50,000. However further discussions with LCC have identified that in principle up to £300,000 is available, subject to application process including a minimum 50/50 match by Ribble Valley, for a Clitheroe town centre public realm project. Subject to detailed designs, considering the potential highway implications, it is intended that the project would be delivered by LCC's highways.

4.2 Following this confirmation Officers have met with LCC Officers to discuss the options including timescales for both delivery and actually undertaking the works (acknowledging there will be highway disruption to the town centre during this time).

4.3 Based on the funding available it is proposed to resurface both the carriageway and footpaths of Castle Street (Appendix 1). Discussions in respect of materials are ongoing with granite kerbing suggested, the proposals including widening the narrow sections of the pavements and rationalising the parking arrangements. It has also been suggested that a gateway treatment is created at the top of Castle Street with a gate installed to enable the road to be closed for events such as the food festival. The original estimate is that the works will take 14 weeks (although this is subject to the final design) and it is suggested that this is programmed in for early 2024 to enable both the summer months and Christmas to proceed as normal within the town.

4.4 LCC are working closely with the Head of Engineering to develop a plan for Castle Street which will be provided to Members, with an understanding of cost, in advance of Committee.

4.5 The Working Group recommend that £300,000 of the 2023/24 UKSPF allocation is given to LCC to undertake improvements to Castle Street.

##### ***Sports Centre/ Community Park, Whalley***

4.6 The Working Group queried whether this significant scheme was deliverable within the UKSPF timescales. They recommended that the Director of Economic Development and Planning contact the group with a deadline of October 2023 to confirm whether if part of the UKSPF fund was given to the club the scheme would be delivered by March 2025.

**Enhanced website and marketing opportunities**

4.7 The Working Group support the production of more interactive pages on our visit Ribble Valley website to create opportunities to experience historic and cultural features (also linked to mobile app, printed guide and enhanced on site interpretation of key features and attractions).

4.8 This will include ‘Visit Whalley’, ‘Visit Clitheroe’ and ‘Visit Longridge’ content and a targeted marketing campaign is also proposed.

**Clitheroe Market Improvements**

4.9 Following the completion of the Consultants feasibility report suggestions on what improvements should be implemented at Clitheroe Market have been considered. The Working Group support utilising part of the UKSPF to fund improvements at the Market. Any UKSPF would be added to the existing capital budget for market improvements.

4.10 The suggestions for the market set out in the report and discussed with the existing traders were considered by Health and Housing Committee on 23<sup>rd</sup> March. The recommendations were as follows and an update from Health and Housing Committee will be reported verbally:

- Remove all metal stall units from the site (after the food festival)
- Resurface the bull ring area to make the area more visually attractive and usable for pop up events.
- Introduce additional central fixed trading units- modified shipping containers are an option subject to Members consideration (this would include an extension of the power and water supplies to these units)
- Introduce power supplies throughout remaining Bull Ring Area to support casual trading and events.
- Introduce a modern canopy structure to define a new covered central space.
- Instruct officers to consider options for wind mitigation measures (which will be linked to the above canopy structure to ensure such a structure would not exacerbate any issues at this site).

4.11Members will note that it is calculated that our 2023/24 allocation (including roll over from this year) will be £485,965 (the £30,00 of revenue allocated to the Low Carbon project has already been deducted from this) based on the above Working Group recommendations it is proposed that, subject to securing next years allocation, the following projects are progressed:

Project	Capital	Revenue	Total
Castle Street Improvements	300,000		<b>300,000</b>
Enhanced website and marketing opportunities		40,000	<b>40,000</b>
Clitheroe Market Improvements	100,000		<b>100,000</b>
Management and administration		19,520	<b>19,520</b>
<b>TOTAL</b>	<b>400,000</b>	<b>59,520</b>	<b>459,520</b>

**5 FURTHER SUGGESTED SCHEMES**

5.1 The following requests for use of our UKSPF have been received recently:

***Development of social enterprises among newly arrived refugee women***

5.2 The Afghanistan & Central Asian Association have contacted the Authority to query whether they can apply for some of the funding to support the development of social enterprises among newly arrived refugee women, in particular from Afghanistan and Ukraine. Their core services include:

- Education, training and development opportunities – ESOL for Integration, Supplementary Schools, British citizenship test preparation, business and employment advice and support
- Women’s outreach and women-only projects – empowerment, development, advice and support
- Legal and advice clinics to Advice Quality Standard and OISC accreditation, using volunteers and pro bono solicitors, focusing mainly on immigration, housing, business and employment issues
- Social and cultural activities and events promoting community cohesion, music and fitness, volunteering
- Football sessions for disadvantaged and socially excluded Muslim girls in Hounslow for the past two years funded by Comic Relief.

5.3 These services appear to fall within the People and Skills Priority Area which we have not identified for our allocation.

***Barrow Community Space***

5.4 Cllr Birtwhistle has contacted the Chief Executive to identify possible funding for a scheme the Parish Council are considering for creating a community space in Barrow. They are considered converting the scrubland at the back of the car park, leased by the Parish Council, into a micro park /horticultural club. They have identified some sectional buildings that would be suitable.



5.5 They have £10,000 of funding already, £15,000 of being sought from lottery and other funding sources however they are seeking £25,000 of additional funding. This would fit into intervention E2 if Members were minded to support this.

### ***Whalley Educational Foundation***

5.6 Whalley Educational Foundation have contacted the Authority to establish whether any of the UKSPF can be secured to further develop Whalley Old Grammar School Community Centre. Their project comprises of four elements:

- An integrated outdoor play area for the Pre-school children. Now completed, using local contractors, following successful national grant applications.
- Refurbishment of the ladies and children's toilets. Funding secured and work to commence on 30th March 2023 using a local contractor.
- The creation of a new room within the building to provide a significant increase in community space, which is in demand, for health activities and larger gatherings. There is a firm quotation to do this work, from a local contractor, with a total project cost of £35,000. Work can be commissioned as soon as funding is secured.
- A new extension, following demolition of a smaller existing structure that is not fit for purpose, to provide an extra room and improved provision for much demanded craft activities, such as woodworking. We have been given a provisional estimate that this new extension will cost in the region of £100,000.

5.7 The request of the foundation is for the third and fourth elements of the project equating to £135,000 from the Shared Prosperity Fund will enable us to complete both final elements within the financial year 2023/24.

5.8 The foundation estimate that the overall project, by improving and expanding their provision, will lead to an estimated 5,000 extra visits to the Centre per annum and will fostering local pride in the area. This would fit into intervention E2 if Members were minded to support this.

### ***International trade show support***

5.9 The Export Relationships Manager at the Department for Business and Trade has contacted the Authority following an enquiry regarding international trade show support for a company based in our district. The Internationalisation Fund has now ended, and the Manager has queried whether this is something we would consider under the UKSPF Business Support Priority. Our investment plan does not identify an intervention into which this scheme could fit.

### ***'SAFE' (Safer Access for Everyone)- Salesbury Memorial Hall Charity***

5.10 The campaign is to raise funds to construct a new, two-lane access road with separate pedestrian access to replace the existing, unmade single track to and from Ribchester Road.

5.11 The SAFE project is fully costed at a total of £75,000.00. The trustees have allocated £10,000 from the Trust's own reserves and an ambitious fund-raising programme is now under way to seek help from local businesses, parish councils, residents and hirers. The trustees anticipate raising £20,000 from these sources and would request that the shortfall of £45,000 be considered as the amount which could be eligible for grant funding.

5.12 The project already has planning permission from RVBC. The detailed plans and project management timescales have been agreed by trustees with the approval and help of local professionals who have provided their services gratis. As such the project is 'oven ready' and scheduled for completion within the financial year 2023/2024 should funding be secured. This would fit into intervention E2 if Members were minded to support this.

5.13 It is suggested that these proposals are referred back to the Working Group for further consideration.

## **6 MANAGEMENT AND ADMINISTRATION**

6.1 Members will note that our first year's allocation includes £20,000 of capacity funding. When the UKSPF was announced it was confirmed that £20,000 would be available per

lead local authority to undertake initial preparatory work for the Fund, including developing the local investment plan for submission. This funding is in addition to each place's allocation. Part of this capacity funding has been utilised to commission BE Group who were appointed to assist with our Partnership Group work and our investment plan.

6.2 We will be required to report how the capacity money was spent as part of 6 monthly returns and any unspent preparatory funding may be used to support the administration of the fund.

6.3 Up to 4% of our allocation can be used to undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. This equates to £78,710.16.

6.4 The reporting, monitoring and performance management section of the guidance was updated on 8th March 2023 and an Evaluation Strategy for the fund was also published on 8th March. The Summary Sheet for this year's activity was submitted on 17th March and this included a section on current evaluation strategy which is a new requirement.

6.5 Whilst participation in evaluation activity is not compulsory for Lead Local Authorities (LLAs) to receive funding LLAs are expected to assist DLUHC where necessary with the local level aspects of the UKSPF evaluation, drawing on the 4% or more of UKSPF allocations set aside for fund administration.

6.6 To capture local intelligence on how the UKSPF is being implemented and achieving its desired results, LLAs are encouraged, but not required, to conduct light-touch reflective "lessons learned" exercises rather than full local evaluations. These exercises will ensure LLAs are deploying proportionate capacity and capability towards building local intelligence. Proposed methods could include measuring outputs, contribution analysis, developing case studies, or conducting surveys and interviews with stakeholders and beneficiaries. Consideration of suitable evaluation processes for our schemes will be undertaken dependent on the nature of the scheme and what methods will be suitable and proportionate.

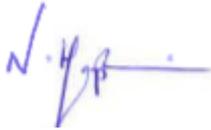
## **7 RISK ASSESSMENT**

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

- Resources – it is important to note that the 2023/24 allocation is conditional on production of a credible plan which is required to be provided to DHLUC by 2<sup>nd</sup> May 2023. If places can demonstrate a credible plan then they will receive their full Year 2 funding allocation. If, however, the plans to re-profile underspend are not credible, Year 2 payments will be staged. Subject to Members agreement of the projects cited within this report it is considered that a credible plan can be provided to DHLUC.
- Technical, Environmental and Legal – There will need to be legal input into providing any of our funding to third parties, including LCC. There will also be associated procurement requirements depending on the projects Members choose to proceed with
- Political - N/A
- Reputation – N/A
- Equality and Diversity – Members have chosen to spend the majority of the UKSPF on the communities and place priority by enhancing community facilities and ensuring access for all. It is considered that the projects identified above meet our Public Sector Equality duties.

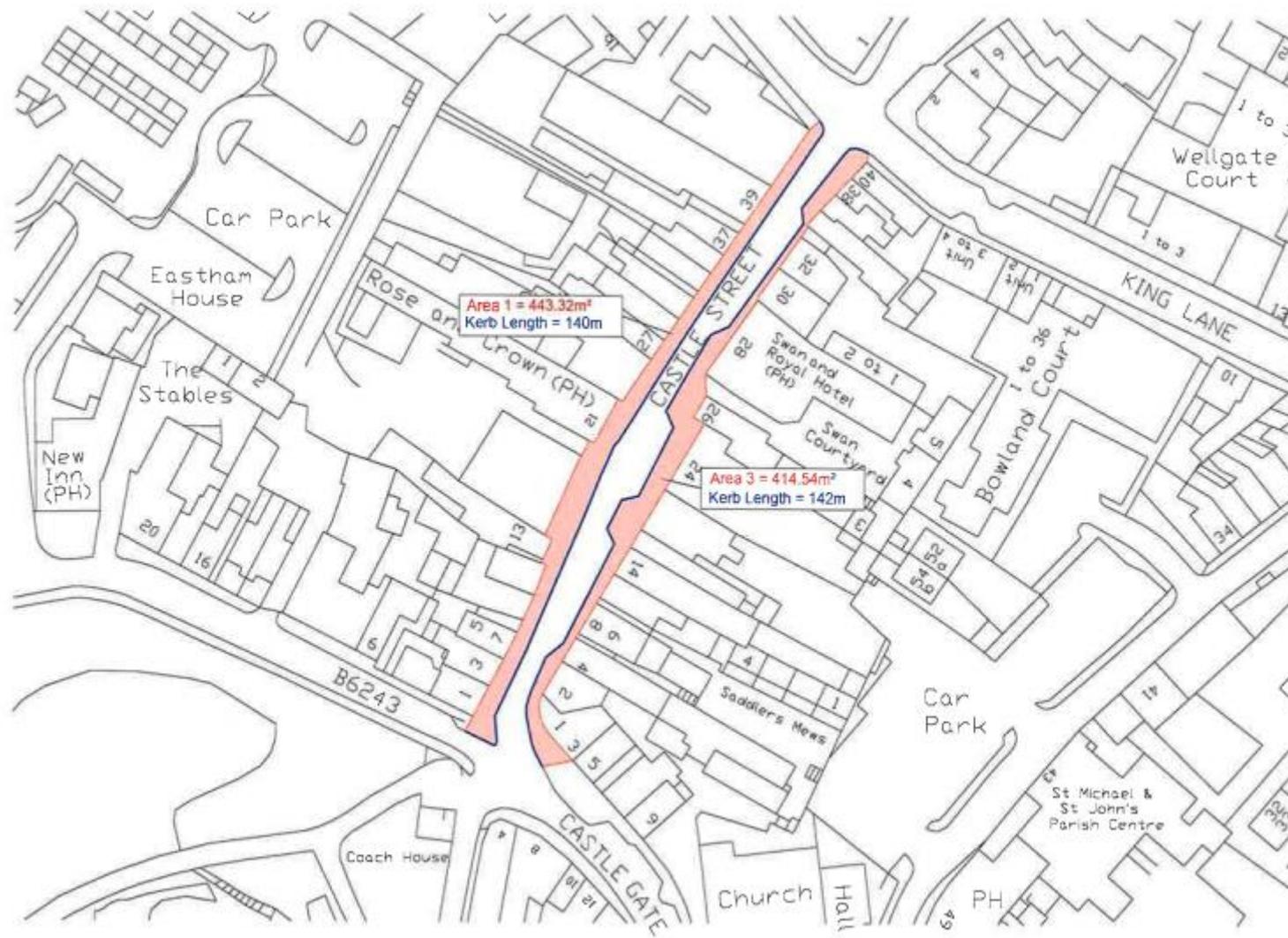
## **8 RECOMMENDED THAT COMMITTEE**

- 8.1 Instruct Officers to commence the projects recommended by the Working Group to utilise the majority of the 2023/24 UK Shared Prosperity Funding allocation, namely:
- 8.1.1 Castle Street Improvements
  - 8.1.2 Creation of an enhanced website and marketing opportunities
  - 8.1.3 Improvements to Clitheroe Market
- 8.2 Instruct the Director of Economic Development and Planning to contact the Parish Councillor involved in the Sports Centre/ Community Park, Whalley project to advise that definitive confirmation that the scheme could be delivered during 2024/25, that sufficient match funding has been secured (including full details of that funding) and full confirmation that all of the required consents have been secured will be required by 31<sup>st</sup> October 2023. This deadline is specified to enable the Working Group to consider whether any of the 2024/25 funding should be allocated to this project.
- 8.3 Refer the new projects listed within section 5 back to the Working Group for further consideration.



NICOLA HOPKINS  
DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING

Appendix 1- Castle Street Improvements



## Appendix 2- Consideration of Schemes to Date

### Intervention E1: Improvements to town centres & high streets

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation
1.	Castle Street Improvements	300,000	The Working Group recommend that £300,000 of the 2023/24 UKSPF allocation is given to LCC to undertake improvements to Castle Street
2.	Berry Lane Enhancements A bid for improvements in Longridge was submitted as part of the Levelling Up Round 1 bids. The scheme suggested here is as per the Levelling Up submission	1,300,000	There is insufficient funding to support this

### Intervention E2: Community & neighbourhood infrastructure projects

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation
1.	Mardale Car Park Improvements	50,000	Being delivered from 2022/23 funding allocation
2.	Electric Vehicle Chargers, Village car parks This is being investigated as part of the 2022/23 allocation and will be dictated by the cost of any necessary power supply.	TBD	The feasibility of this is ongoing as part of the 2022/23 funding allocation- see intervention E31
3.	Townley Garden Band Stand, Longridge	200,000	It is suggested that this is considered further for the 2024/25 financial year given the limited funding for the 2023/24 year and the fact that the majority of this financial year's allocations are being spent in Longridge

### Intervention E3: Creation of and improvements to local green spaces

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation
1.	Mardale changing room improvements	126,000	Being delivered from 2022/23 funding allocation

## Appendix 2- Consideration of Schemes to Date

2.	Pump Track, Longridge	250,000	It is suggested that this is considered further for the 2024/25 financial year given the limited funding for the 2023/24 year and the fact that the majority of this financial year's allocations are being spent in Longridge
3.	Padel Court, Longridge	TBD	It is not proposed to progress with this scheme as it is unclear what demand there would be for such a facility in the Borough
4.	Primrose Community Nature Trust One of the Trustees of Primrose Community Nature Trust has submitted a request for the next phase of the proposed works at the site	Upto £992,000	There is insufficient funding to support this
5.	Sports Centre/ Community Park, Whalley One of the Whalley Parish Councillors has made some suggestions for use of the UKSPF in Whalley	Upto £400,000	The Working Group queried whether this scheme was deliverable within the timeframes. They suggested that the Director of Economic Development and Planning contact the Group with a deadline of October 2024 for the group to confirm whether with a contribution from the UKSPF the scheme will be delivered in the 2024/25 financial year

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### Intervention E4: Enhancing existing cultural, historic & heritage institutions offer

<b>Schemes put forward since the announcement of the UKSPF</b>		<b>Estimated Cost</b>	<b>Working group recommendation</b>
1.	Interactive Map Introduce interactive Heritage content/map onto the visit Ribble Valley website to create opportunities to experience historic and cultural features. (also linked to mobile app, printed guide and	20,000	The Working Group support funding a new website to address several of our interventions

## Appendix 2- Consideration of Schemes to Date

	enhanced on site interpretation of key features and attractions).		
2.	New Walks New circular walks, providing visitors and residents the opportunity to discover new places- suggested by Whalley PC	20,000	This is not supported individually as it would be tied into the new website
3.	New Welcome Signage New visitor welcome signage at key locations- suggested by Whalley PC	10,000	This is not supported.

### Intervention E5: Built & landscaped environment to 'design out' crime

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation/ update
1.	Standalone CCTV cameras As part of the 2022/23 UKSPF the feasibility of erecting standalone CCTV cameras in Whalley is being considered). Such units could be provided subject to suitable locations being established with a power supply and the Parish Council agreeing to take on the management of these units. If this is successful, this could be rolled out to other suitable areas. <b>NOTE: Funding for a similar scheme may be announced via the PCC which will also be explored.</b>	Upto 20,000	This is subject to ongoing consideration

### Intervention E8: Campaigns to encourage visits and exploring of local area

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation
1.	Undertake market segmentation, to develop a marketing campaign which targets new markets, and focusses on off peak times	10,000	This links into intervention E4- The Working Group support funding a new website to address several of our interventions
2.	Marketing Lancashire- they have recently had notification from Lancashire County Council that they are not able to provide financial support to Marketing Lancashire for FY23/24 at the same level as previously – they are currently looking at a 50% reduction in their funding offer.	TBD	Members have previously confirmed they would prefer to utilise our limited UKSPF allocation within the communities as opposed to opting into pan-Lancashire 'opt-in' schemes.

## Appendix 2- Consideration of Schemes to Date

### Intervention E15: Digital connectivity for local community facilities (£70,856)

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation
1.			
2.			
<b>TOTAL</b>			

### Intervention E16: Open markets & town centre retail & service sector

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation
1.	Clitheroe Market Improvements As part of the 2022/23 UKSPF the feasibility of improvements to Clitheroe market has been undertaken by a consultant.	100,000+	That some of next year's allocation should be used to delivery improvements to Clitheroe Market

### Intervention E17: Development & promotion of visitor economy

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation
1.	Visit Whalley website- suggested by Whalley PC	Upto 20,000	This is not supported as a standalone intervention
2.	Improved signage for Whalley- suggested by Whalley PC	Upto 80,000	This is not supported as the suggested website is intended to provide direction for our visitors
3.	New visit Ribble Valley interactive website This could incorporate bespoke 'Visit Whalley' (point 1 above), 'Visit Clitheroe' and 'Visit Longridge' content.	10,000	The Working Group support funding a new website to address several of our interventions

### Intervention E23: Strengthening local entrepreneurial ecosystems

Schemes put forward since the announcement of the UKSPF		Estimated Cost	Working group recommendation/ Update
1.	Business support for net zero transition & decarbonisation	35,000	Committed for each financial year
2.	Boost- is funded through LCC and has used ERDF funds to scale up these services. As ERDF is withdrawn Boost is seeking to use	Upto 360,000	Members have previously confirmed they would prefer to utilise our limited

## Appendix 2- Consideration of Schemes to Date

	the UKSPF as the replacement funding. To date the following Councils have not confirmed that they wish to continue funding Boost including us-Blackpool, Hyndburn, Lancaster, Rossendale.		UKSPF allocation within the communities as opposed to opting into pan-Lancashire 'opt-in' schemes.
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### Intervention E29: Supporting decarbonisation & improving natural environment

<b>Schemes put forward since the announcement of the UKSPF</b>		<b>Estimated Cost</b>	<b>Working group recommendation/update</b>
1.	Business support for net zero transition & decarbonisation	35,000	Committed for each financial year

### Intervention E31: Support relevant feasibility studies

<b>Schemes put forward since the announcement of the UKSPF</b>		<b>Estimated Cost</b>	<b>Working group recommendation/update</b>
1.	Clitheroe Market Feasibility Study	6,000	Delivered as part of 2022/23 funding
2.	Rail Feasibility Study	6,450	Ongoing delivered through 2022/23 funding
3.	Consideration of whether electric vehicle charging points can be installed in our rural car parks	2,000	Ongoing delivered through 2022/23 funding
3.	Consider the implementation of a banking hub	TBD	For future consideration

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

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meeting date: 28 MARCH 2023  
title: VOLUNTARY ORGANISATION GRANT APPLICATIONS 2023/24  
submitted by: DIRECTOR OF RESOURCES  
principal author: VALERIE TAYLOR

### 1. PURPOSE

1.1 To approve the allocation of voluntary organisation grants for 2023/24.

### 2. BACKGROUND

2.1 The Council has a number of grant schemes in operation including recreation grants, culture grants and sports grants which are administered by Community Committee. The voluntary organisation grant scheme is administered by this Committee.

2.2 A member working group considers the applications received under the voluntary organisation grant scheme and makes recommendations to this Committee regarding the allocation of funds on an annual basis.

2.3 The following members attended the working group held on Monday 6 March 2023:

- Cllr S Atkinson
- Cllr A Brown
- Cllr S Fletcher
- Cllr R Newmark

### 3. APPLICATION PROCESS

3.1 Applicants must clearly demonstrate that the purpose of the grant sought is to provide services or facilities that will meet the needs of communities in the Ribble Valley or directly benefit our residents.

3.2 The scheme will not normally fund the following:

- Capital projects on which work has already started or in aid of expenditure already committed or paid.
- Commercial organisations / businesses (including Community Interest Companies)
- Any activity designed to promote political party politics or influence government policies
- Applications from the County Council or other government agencies
- Applications from religious organisations unless there is a clear broad community benefit.
- Schemes that can be funded by the Councils' other grant aid schemes.

3.3 Applicants can only be accepted from organisations operating on a non-profit making basis. A valid constitution or memorandum of articles or association, which clearly indicates the voluntary or charitable status of the organisation, should accompany all applications.

3.4 Applications for grants are to be supported by copies of recent bank statements showing how much the organisation has in its bank accounts. Where applications are for grant of over £10,000 a 3-year financial plan must also be supplied and all applicants for grants of over £1,000 are required to provide a copy of the organisation's latest accounts. Capital projects are limited to 50% of the approved costs, up to a maximum of £5,000.

#### 4. 2023/24 GRANTS

4.1 28 applications for grant support were received for the 2023/24 financial year. Five of the applications were from organisations requesting support to provide recreational activities and as such were outside of the scope of this grant scheme and were therefore referred to the recreation grant scheme for consideration by Community Committee. Three of the applications did not qualify under the grant scheme criteria.

4.2 A summary of the remaining 20 applications requesting total grant support of £100,646 is set out in Annex 1.

4.3 The voluntary organisation grant budget for 2023/24 is £115,810.

#### 5. VOLUNTARY ORGANISATION GRANTS WORKING GROUP

5.1 The minutes of the Voluntary Organisation Working Group that met on 6<sup>th</sup> March 2023 are attached at Annex 2.

5.2 After considering the applications the group made the following specific suggestions:

- a) That recommended payments of grants is subject to the applicants providing any outstanding supporting documentation that is required per the grant scheme criteria;
- b) That Bowland Pennine Mountain Rescue Team be invited to give a presentation to Policy and Finance Committee later on in the financial year concerning how the group has benefitted from the grant funds; and
- c) That a review is carried out after six months that asks Citizen's Advice Rossendale and Hyndburn to provide details of:
  - o The number of hours and the locations of face-to-face meetings that have been carried out in the Ribble Valley; and
  - o How this compares to the hours spent on face-to-face meetings in the Hyndburn and Rossendale areas

5.3 At the meeting on the 6<sup>th</sup> March 2023 the group recommended the allocation of voluntary organisation grants as set out in Annex 2 totalling £51,750.

#### 6. RECOMMENDATIONS

6.1 Approve the allocation of grants as proposed by the voluntary organisation grants working group as set out in Annex 2, totalling £51,750.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF27-23/VT/AC  
16 MARCH 2023

## VOLUNTARY ORGANISATION GRANT APPLICATIONS RECEIVED 2023/24

Organisation Name	Brief description/ aims of Organisation	Grant Requested for 2023/24 £	Purpose of Grant request
B4RN for Bolton-by-Bowland and Paythorne	To offer full fibre gigabit internet access to every home, business and community space in the Parishes of Bolton-by Bowland and Paythorne. We hope to start laying cable in May 2023 with a build time of 7 months	Not stated	To provide financial assistance to the community based project that shall help secure the project's success and future.
Bowland Pennine Mountain Rescue Team	Provide search and rescue services. Also delivers flood recovery assistance, vulnerable missing person search and 4x4 vehicle access for the Ambulance service during severe weather conditions.	£5,000	To replace/renew waterproof and insulated clothing that is issued to each volunteer for use when helping others during extreme weather conditions. The costs are approximately £1000 per person
Cancer Help (Preston) Ltd	Aims to improve the quality of life of cancer patients, their families and their carers by providing a wide range of therapy support services. Services provided include 1-2-1 and group sessions held to help individuals cope with the impact of a cancer diagnosis and bereavement.	£921	We want to make some improvements to the Cancer Help charity shop situated in Berry Lane, Longridge. This includes a new display cabinet, bookcase and wall display and some cosmetic improvements to the walls and floor of the bathroom and kitchen areas.
Carers Link Lancashire	Provides help, support and training to those who care for people who are ill, disabled or elderly across East Lancashire	£3,000	To expand current capacity and assist the Organisation in providing carers with support services. To assist them to identify "hidden" carers and provide outreach services and awareness training for individuals/groups and those needing extra support due to the cost of living crisis.

## VOLUNTARY ORGANISATION GRANT APPLICATIONS RECEIVED 2023/24

Organisation Name	Brief description/ aims of Organisation	Grant Requested for 2023/24 £	Purpose of Grant request
Citizens Advice Rossendale & Hyndburn (Covering Ribble Valley from April 1st 2023)	The service is independent and provides free, confidential and impartial advice to everybody. Aims to ensure that individuals have straightforward and timely access to the information they need to understand their rights and responsibilities, express their needs effectively, and be empowered to resolve their problems and improve their lives.	£30,000	CARH will use the grant to retain access to information and advice for Ribble Valley residents. It will be used to employ 2 part time staff or 1 full time member of staff. This will also enable us to recruit and manage a pool of 10 volunteers who will support our paid staff to deliver accessible advice services across Ribble Valley.
Clitheroe Castle Bonfire & Fireworks	Plan and stage the Clitheroe Community Bonfire and Fireworks display each year November with all proceeds going to local charities	£1,000	To assist with the cost of the annual firework display. Any funds secured will be used towards the first aid staffing costs, fireworks display costs and hire of sound system and electrical equipment (total cost £8,250).
Freegle	Freegle is a national organisation which operates at community level to help people give and get stuff for free locally by providing an online platform. It also has a positive effect on the environment by reducing waste and fly-tipping.	£300	To cover operating costs for the Ribble Valley Freegle community
Goosnargh and Longridge Agricultural Society Ltd	The promotion and general advancement of the science of agriculture and horticulture in their widest sense. Brings together the towns and villages of the Ribble Valley to "show case the best of what we got and educate people in aspects of modern countryside life"	£750	To support all aspects of the show day activities for young people, crafts junior horticulture, young sheep handlers, young farmers

## VOLUNTARY ORGANISATION GRANT APPLICATIONS RECEIVED 2023/24

Organisation Name	Brief description/ aims of Organisation	Grant Requested for 2023/24 £	Purpose of Grant request
Hodder Valley Agricultural and Horticultural Society	To improve the standard of animal husbandry and horticultural practices, and to foster and encourage interest among children and young people in agriculture and the countryside	£500	To assist the financing and sponsorship of the show. The society also holds several fund-raising activities throughout the year.
Home-Start in East Lancashire Ltd	Charity which works across East Lancashire and supports vulnerable and hard to reach families who are struggling with a wide variety of issues	£5,000	To support the infrastructure of the service and to enable the recruitment, training and supervision of volunteers who will provide support to families in the area.
Ian Rowe's Community Fund	To raise funds to maintain defibrillators placed in the Longridge area.	£1,000	To help with the cost and upkeep of the defibrillators we look after.
Little Green Bus Ltd	The Charity's main activity is the provision of safe, secure and caring door-to-door community transport services for mainly elderly and vulnerable people living in the Ribble Valley	£10,000	To support the community car scheme which provides door to door transport to and from vital medical appointments. This scheme costs over £21,000 per year to deliver. To also cover training and recruitment costs for additional volunteers required as since the effects of covid-19 the volunteer base has shrunk.
Longridge Field Day Events Ltd	The objective is to provide an annual event which brings the local community and its schools together, with funds being raised to ensure the occasion continues for years to come.	£5,000	To financially assist with the facilitation of the event

## VOLUNTARY ORGANISATION GRANT APPLICATIONS RECEIVED 2023/24

Organisation Name	Brief description/ aims of Organisation	Grant Requested for 2023/24 £	Purpose of Grant request
Ribble Valley Crossroads Care	Charity giving respite breaks to Carers in the Ribble Valley since 1988. Provide specialist personal care, overnight care, end of life care and for those with dementia. Provide weekly Dementia group called 'Time for You'.	£20,000	To assist with the high travel costs the charity incurs as its staff have to travel around the Ribble Valley rural area to reach clients (rate of reimbursement increased from 45p to 55p this year). Also pay the carer support workers time between calls which are paid at NMW - due to increase in April 2023 by 9.7%.
Ribble Valley First Aiders	This is a new group set up to provide free first aid training to the local community and free first aid cover at local events. They can also provide assistance with major incidents and are currently training to assist in missing person searches.	£6,000	To purchase equipment including response bags, AED, and training manikins. Also to expand on community training, including delivering awareness courses in schools and more volunteers being able to respond to medical emergencies.
Ribble Valley Visually Impaired Group	This group is a peer support group for blind and visually impaired people in the Ribble Valley. The group serves to reduce isolation and encourage good mental wellbeing and independence.	£2,500	For the cost to hire the little green bus which allows beneficiaries to socialise on trips out to favourite venues. This enables a safe pick up and drop off from home and escorted travel.
Ribchester Field Day Committee (Ltd)	To organise and run an annual field day (3rd Saturday in June) for the enjoyment of the residents of Ribchester and visitors from the surrounding towns and villages.	£1,000	To assist financing the field day with increasing costs and limited income streams. Some examples of cost increases; traffic management for the parade £1600 (2019 £300) and insurance £1000 (2022 £500). Also amusement stalls require some repairs/renewals.

## VOLUNTARY ORGANISATION GRANT APPLICATIONS RECEIVED 2023/24

Organisation Name	Brief description/ aims of Organisation	Grant Requested for 2023/24 £	Purpose of Grant request
St Vincent de Paul Society Clitheroe Conference	Dedicated to tackling poverty and disadvantage. In the Ribble Valley, the aim is to provide care, comfort and support for all members of the community. This involves visiting elderly, isolated and disadvantaged; providing furniture, clothes etc where needed; giving financial support to help with heating bills, rent and cost of living increases.	£1,000	To provide material and financial assistance for our beneficiaries as follows: the provision of furniture, white goods, clothes and school uniforms; financial help towards increasing heating and food bills, rent and cost of living rises.
The Foundation for Ribble Valley Families (FRVF)	To provide swift, accessible, impactful mental health and emotional wellbeing support for residents of the Ribble Valley	£7,000	To support a new model which offers and develops different treatments, including recruiting 2/3 associate therapists. This will allow an additional 74 sessions for clients (30% increase).
Whalley and District Lions Club CIO	Part of an international network who work together through selfless, effective community service to answer the needs that challenge communities. Helping the local community including families, those affected by flooding, events for older residents, raising funds for a defibrillator and for other charities	£675	To cover the costs of a first aid course for 15 teenagers and a first aid refresher course for 15 adults
<b>Total</b>		<b>£100,646</b>	

**MINUTES OF VOLUNTARY ORGANISATION GRANTS WORKING GROUP MEETING  
HELD ON 06 MARCH 2023 AT 4.00 pm**

Present: Councillor S Atkinson (Chairman)  
Councillor A Brown  
Councillor S Fletcher  
Councillor R Newmark  
Chief Executive  
Director of Resources  
Senior Accountant (P&F Committee)

Apologies:

**1. Background**

- 1.1 The purpose of the working group was to consider the 2023/24 voluntary organisation grant applications and to make recommendations to Policy and Finance Committee.

**2. 2023/24 Applications**

- 2.1 The Voluntary Organisation Grants Working Group met to consider 20 applications requesting grant support that totalled £100,646 out of an available budget of £115,810 for the 2023/24 financial year.

- 2.2 The working group discussed the grant scheme criteria and recognised updates that were approved by this Committee in March 2022, including that no single organisation will be allocated more than one third of the total grant fund available for the year.

- 2.3 Whilst considering the applications the group made the following specific suggestions:

- That recommended payments of grants is subject to the applicants providing any outstanding supporting documentation that is required per the grant scheme criteria;
- That Bowland Pennine Mountain Rescue Team be invited to give a presentation to Policy and Finance Committee later on in the financial year concerning how the group has benefited from the grant funds; and
- That a review is carried out after six months that asks Citizen's Advice Rossendale and Hyndburn to provide details of:
  - The number of hours and the locations of face-to-face meetings that have been carried out in the Ribble Valley; and
  - How this compares to the hours spent on face-to-face meetings in the Hyndburn and Rossendale areas

- 2.4 At their meeting on 6<sup>th</sup> March 2023 the working group recommended the allocation of voluntary organisation grants totalling £51,750 as set out at section 3.

**MINUTES OF VOLUNTARY ORGANISATION GRANTS WORKING GROUP MEETING  
HELD ON 06 MARCH 2023 AT 4.00 pm**

**3 Recommended Grant Allocations for 2023/24**

3.1 The group recommended the allocation of Voluntary Organisation grants for 2023/24 on the following basis:

<b>Organisation Name</b>	<b>Recommended Grant for 2023/24 £</b>
B4RN for Bolton-by-Bowland and Paythorne	£1,000
Bowland Pennine Mountain Rescue Team	£5,000
Cancer Help (Preston) Ltd	£0
Carers Link Lancashire	£1,500
Citizens Advice Rossendale & Hyndburn (Covering Ribble Valley from April 1st 2023)	£5,000
Clitheroe Castle Bonfire & Fireworks	£750
Freegle	£0
Goosnargh and Longridge Agricultural Society Ltd	£750
Hodder Valley Agricultural and Horticultural Society	£750
Home-Start in East Lancashire Ltd	£4,000
Ian Rowe's Community Fund	£500
Little Green Bus Ltd	£10,000
Longridge Field Day Events Ltd	£750
Ribble Valley Crossroads Care	£18,000
Ribble Valley First Aiders	£500
Ribble Valley Visually Impaired Group	£500
Ribchester Field Day Committee (Ltd)	£750
St Vincent de Paul Society Clitheroe Conference	£0
The Foundation for Ribble Valley Families	£2,000
Whalley and District Lions Club CIO	£0
<b>Total</b>	<b>£51,750</b>

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

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meeting date: 28 MARCH 2023  
title: REFERENCE FROM COMMUNITY SERVICES COMMITTEE – CHANGING PLACES FUND ALLOCATION  
submitted by: DIRECTOR OF RESOURCES  
principal author: LAWSON ODDIE

### 1 PURPOSE

- 1.1 To consider a request from Community Services Committee for an additional capital programme scheme and also a supplementary revenue estimate in respect of the Governments' Changing Places Fund.

### 2 BACKGROUND

- 2.1 Service committees manage their services within the budgets agreed at the beginning of the financial year. The budget for 2023/24 was approved by Policy and Finance Committee on 14 February 2023 and by Full Council on 7 March 2023.
- 2.2 Any revenue or capital expenditure over and above what has already been approved must be agreed by Policy and Finance Committee.

### 3 COMMUNITY SERVICES COMMITTEE 14 MARCH 2023

- 3.1 Community Services Committee considered a report submitted by the Head of Cultural and Leisure Services. The report was in respect of the Governments' Changing Places Fund and the success of the council's expression of interest for funding for the toilet sites at Edisford Riverbank, Ribchester and Clitheroe Castle Field and the award of £204,000 for the work to be carried out. Changing Places toilets are larger accessible toilets designed for severely disabled people, with equipment such as hoists, curtains, adult sized changing benches, and space for carers.

- 3.3 At its meeting, Community Services Committee resolved the following:

**RESOLVED THAT COMMITTEE:**

Agreed to ask Policy and Finance Committee to include the Changing Places Scheme in the capital programme and revenue budget for 2023/24.

- 3.4 Policy and Finance Committee are being asked to approve a capital programme scheme of £204,000 for the Changing Places toilet schemes at Edisford Riverbank, Ribchester and Clitheroe Castle Field fully funded from the Government's Changing Places Fund Grant.
- 3.5 Also sought is approval for a supplementary estimate of £18,140 to the revenue budget in respect of running and maintenance costs for the facilities. It is proposed that the supplementary revenue estimate of £18,140 be funded from the VAT Shelter Earmarked Reserve in 2023/24 and then be included in the base budget for future years.

#### 4 RECOMMENDED THAT COMMITTEE

- 4.1 Approve a capital programme scheme of £204,000 for the Changing Places toilet schemes at Edisford Riverbank, Ribchester and Clitheroe Castle Field fully funded from the Government's Changing Places Fund Grant; and
- 4.2 Approve a supplementary estimate of £18,140 to the revenue budget in respect of running and maintenance costs for the facilities funded from the VAT Shelter Earmarked Reserve in 2023/24 and then be included in the base budget for future years.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF32-23/LO/AC  
17 MARCH 2023

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No

meeting date: 14 MARCH 202  
title: CHANGING PLACES FUND ALLOCATION  
submitted by: HEAD OF CULTURAL AND LEISURE SERVICES  
principal author: DANIEL GREEN

### 1 PURPOSE

- 1.1 To inform members of the Council's success in securing funding in relation to the Governments' Changing Places Fund and to ask Policy and Finance Committee to include the scheme in the Council's budget.

### 2 BACKGROUND

- 2.1 Changing Places toilets are larger accessible toilets designed for severely disabled people, with equipment such as hoists, curtains, adult sized changing benches, and space for carers.
- 2.2 The government wants to see a step change in the number of Changing Places toilets across the country. In the 2021 Budget, the then Chancellor announced a Changing Places Fund of up to £30.5m to accelerate the provision in existing buildings in England.
- 2.3 For the round two applications eligible local authorities needed to submit an expression of interest by the end of September 2022. RVBC submitted an expression of interest for three toilet sites to upgrade the existing facilities to assist with days out to local attractions for severely disabled people and their families.

The sites allocated the funding from the grant to improve facilities are:

Edisford riverbank toilets	-	BB7 3LA
Ribchester toilets	-	PR3 3YE
Castlefield toilets	-	BB7 2HE

### 3 ISSUES

- 3.1 The Council was informed on 3<sup>rd</sup> February 2023 that it had been successful in its' expression of interest and has been awarded £204,000 for the work to be carried out.
- 3.2 The funding is allocated for a period of 1 year. The changing places team have requested quarterly projections and estimates for the spending of the allocated grant. Estimates for the projected spending had already been submitted as part of the Councils' grant submission for the financial year 23/24.
- 3.3 Planning permission is required together with building control approval for the work, because the three sites will need extensions built to accommodate the specialist equipment to be installed as part of the provision. It is proposed to put the works out to formal tender for all three adaptations under one tender so we will receive one price to complete all the works. It is anticipated that this will save time and money as we should benefit by 'economies of scale' and reduced officer time.

3.4 Once the principal contractor is appointed it is proposed that the surveying team will project manage the works to completion and ensure that the facilities are handed over to the Council to the highest standards.

#### 4 CONCLUSION

4.1 This is good news for the Borough and will help us provide excellent facilities for residents and visitors to the area and continue in our role of providing accessible changing areas for all.

#### 5.0 RISK ASSESSMENT

- Resources – The capital sum of £204,000 will be added to the Council's capital programme for 2023/24 and once completed there will be additional revenue costs associated with the toilet extensions which will be built. A budget estimate for the additional costs which would be incurred for 2023/24 is £18,140, although the facilities will not be available for use until late in the current financial year, plus an additional provision of £910 for inflation at 5% in the next year, 2024/25. These figures do not include any further costs for maintenance of the specialist equipment, which will not be known until that is specified for installation and will need to be incorporated in the budgets for 2024/25, because they will be initially covered under a warranty period.
- Technical – The Council Engineering section will oversee the project to ensure it is carried out in accordance with the Councils' financial regulations and that the project is delivered completely within the financial year 2023/24.
- Political – none in the context of the report.
- Reputation – the award of the grant and the work it will facilitate will greatly improve the provision for people with a disability, residents and visitors will once the work is completed, be able to visit areas which they may not previously have been able to do, because their needs could not be met by our existing disabled toilet provision.
- Equality and Diversity – the Council will consult with appropriate groups to ensure the three enhanced toilets when completed address the specific needs of the people for which the grant was given.

#### 6.0 RECOMMENDED THAT COMMITTEE

6.1 Ask Policy and Finance Committee to include the Changing Places Scheme in the capital programme and revenue budget for 2023/24.

Mark Beveridge  
Head of Cultural and Leisure Services

#### BACKGROUND PAPERS

None

For further information please ask for Mark Beveridge 01200 425111

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

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meeting date: 28 MARCH 2023  
title: REFERENCE FROM COMMUNITY SERVICES COMMITTEE – BERRY LANE TOILETS  
submitted by: DIRECTOR OF RESOURCES  
principal author: LAWSON ODDIE

### 1 PURPOSE

- 1.1 To consider a request from Community Services Committee for an additional capital programme scheme and also a supplementary revenue estimate in respect of the provision of Berry Lane Toilets by this Council rather than by Longridge Town Council.

### 2 BACKGROUND

- 2.1 Service committees manage their services within the budgets agreed at the beginning of the financial year. The budget for 2023/24 was approved by Policy and Finance Committee on 14 February 2023 and by Full Council on 7 March 2023.
- 2.2 Any revenue or capital expenditure over and above what has already been approved must be agreed by Policy and Finance Committee.

### 3 COMMUNITY SERVICES COMMITTEE 14 MARCH 2023

- 3.1 Community Services Committee considered a report submitted by the Head of Cultural and Leisure Services. In respect of financial issues, the report (attached at Annex 1) requests that Community Services Committee decide what standard the toilets should be brought up to and the associated costs and also asks Community Services Committee to approve a corresponding cleaning budget.

- 3.3 At its meeting, Community Services Committee resolved the following:

**RESOLVED THAT COMMITTEE:**

1. Approved the decision to return the provision of Berry Lane toilets back into the control of Ribble Valley Borough Council from Longridge Town Council.
2. Agreed that a sum of up to £45,000 is required so that the toilets can have a vandal proof design. This sum will be put to Policy and Finance Committee for its approval.
3. Agreed that there should be flexibility with regards to the opening times of the toilets and to request Policy and Finance Committee to approve the corresponding revenue budget for cleaning and repairs.
4. Approved the decision that if the toilets were to continue to be vandalised a review of their future should be undertaken.

- 3.4 Policy and Finance Committee are being asked to approve a capital programme scheme of £45,000 so that the toilets can have a vandal proof design and are also asked to approve a supplementary estimate of £3,640 to the revenue budget in respect of annual cleaning and repair costs. It is proposed that both amounts be funded from the VAT Shelter Earmarked Reserve in 2023/24 and in the case of the revenue item, that this be included in the base budget for future years.

4 RECOMMENDED THAT COMMITTEE

- 4.1 Approve a capital programme scheme of £45,000 for the Refurbishment of Berry Lane Toilets in a vandal proof design funded from the VAT Shelter Earmarked Reserve; and
- 4.2 Approve a supplementary estimate of £3,640 to the revenue budget in respect of annual cleaning and repair costs of Berry Lane Toilets funded from the VAT Shelter Earmarked Reserve in 2023/24 and included in the base budget for future years.

HEAD OF FINANCIAL SERVICES  
PF29-23/LO/AC  
17 MARCH 2023

DIRECTOR OF RESOURCES

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

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meeting date: 14 MARCH 2023  
title: BERRY LANE TOILETS  
submitted by: MARK BEVERIDGE, HEAD OF CULTURAL AND LEISURE SERVICES

### 1 PURPOSE

1.1 To provide Committee with an update and consider further the proposal for the Borough Council to take the provision of these toilets back from Longridge Town Council, who currently operate them.

1.2 Relevance to the Council's ambitions and priorities

- Community Objectives - To help make people's lives healthier and safer.
- Corporate Priorities - To sustain a strong and prosperous Ribble Valley.
- Other Considerations – The provision of public toilets is not a statutory requirement, however access to them can determine whether some people are able to enjoy the same freedom to visit areas as others do.

### 2 BACKGROUND

2.1 Longridge Town Council took over responsibility for these toilets around 2012, when the Borough Council proposed their closure.

2.2 At Committee in January, a proposal was made to consider the Borough Council taking back the responsibility for these toilets, in line with the responsibility it has for other public toilets in the Borough.

### 3 ISSUES

3.1 The toilets in Berry Lane are currently closed, because they were vandalised leaving them unfit to be opened.

3.2 The estimated cost for carrying out the repairs is £6,000 to return them to working condition. In addition to bring them up to the standard of other toilets with a more vandal resistant design will require c£30,000.

3.3 Longridge have a contract with a cleaning company for the toilets covering weekdays only, the current cleaning costs are £500-£600 per month. The Council operates a 7-day cleaning service for many of the public toilets. It is estimated that the additional cost for cleaning by the Council will be £3,640 per year. Although this figure may rise, because at present no discussion has taken place with the Council's existing toilet cleaners to determine if they are able to increase their hours of work to accommodate the Longridge toilets.

3.4 The Borough's current toilet cleaners work on a rota of 22.5 hours which would need to be extended, assuming they were willing to work the extra hours to cover Longridge. If not, then a post would need to be created specifically for the Berry Lane toilets.

#### 4. CONCLUSION

- 4.1 Public toilets provide a useful facility for residents and visitors alike, although some are subject to high levels of vandalism, which mean the Council bears the cost of repair. The Castle, Market and Railway View toilets have been badly damaged in recent times, resulting in thousands of pounds of repairs.

#### 5 RISK ASSESSMENT

- Resources – there is currently a budget provision of £5,140 for 2023/24 for the Berry Lane toilets, which covers utilities, depreciation, insurance etc but not cleaning or internal repairs. If the Council decide to bring them back under its provision, it will require an initial budget to cover the cost of work needed to put them back into use (either £6,000 to repair them to working condition or circa £35,000 for a more vandal resistant design). In addition, the revenue budget will need to be increased to reflect the cleaning cost and a sum to cover ongoing maintenance.
- Technical, Environmental and Legal – the current arrangement with the Longridge Town Council will need to be ended formally to enable the Borough Council to once more to take control of the toilets.
- Political – none in the context of the report
- Reputation – The Borough Council provides toilets in many other parts of the Borough and the existing arrangement in Longridge is seen as less desirable by the Longridge councillors.
- Equality and Diversity – the provision of toilets is an important issue for some people, especially those with a disability, having accessible public toilets in Longridge is an integral part of providing for that group of people as well as the wider population.

#### 6. RECOMMENDATION

- 6.1 Committee decide if provision of Berry Lane toilets should be taken back inhouse from Longridge Town Council. If so then:

6.1.1 Decide what standard the toilets should be brought up to (either repairs to a working condition or more vandal resistant design) and request Policy and Finance Committee to approve the corresponding budget (£6k or circa £30k)

6.1.2 Decide that the toilets be open 8am until 4pm daily and request Policy and Finance Committee to approve the corresponding revenue budget for cleaning and repairs.

6.1.3 Decide that if the toilets were to continue to be vandalised a review of their future should be undertaken.

Mark Beveridge  
Head of Cultural and Leisure Services

BACKGROUND PAPERS None  
For further information please ask for Mark Beveridge 01200 425111

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

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meeting date: 28 MARCH 2023  
title: SOLAR PANELS  
submitted by: MARK BEVERIDGE, HEAD OF CULTURAL AND LEISURE SERVICES

### 1 PURPOSE

- 1.1 To provide Committee with a proposal for the installation of PV cells (solar panels) on to Council Buildings.
- 1.2 Relevance to the Council's ambitions and priorities
  - Community Objectives - To ensure a well-managed council providing efficient services, based on identified customer needs.
  - Corporate Priorities - To protect and enhance the existing environmental quality of our area.
  - Other Considerations – The climate change working group have considered this option and are in favour of such an approach.

### 2 BACKGROUND

- 2.1 The Council provides services from several buildings, some of which are significant consumers of power, both electricity and gas. Whilst the swimming pool and Council offices have some energy efficiency systems installed, no building has solar panels installed.
- 2.2 The use of solar panels is well established technology to help generate electricity for buildings to use, both to reduce the overall cost of operation and contribute to reducing a carbon footprint, because they help to reduce the amount of fossil fuels required.

### 3 ISSUES

- 3.1 The two buildings with the highest use of electricity are the Council Offices and Ribblesdale Pool. The next in line are the Council depot, platform gallery and the market offices. Though these other buildings are less viable given the likely investment and return. However, as part of the Councils' assessment of suitability, a return on investment will need to be carried out on these to verify their suitability or otherwise, this will also include the public toilets the Council operates.
- 3.2 The museum also has potential; however, it may be subject to planning issues given the proximity to the Castle.
- 3.3 The budget estimate for fitting solar panels to the Council Offices is £45,000 and £93,000 for the swimming pool, based on a price obtained in late 2022. A design and build project is envisaged for any installation. Both have an estimated return on investment time of 3 years together with significant reductions in CO2.
- 3.4 The Climate change working group have been circulated information about the proposal and asked for their support. An update will be provided at the meeting.

#### 4. CONCLUSION

- 4.1 Installation of solar panels for the Council Offices is a sensible and cost effective way of both reducing the cost of operation and the carbon footprint of the Council. Given that a study is planned for the pool, it may be sensible to await the outcome of that before deciding on an investment in panels for that building. However it will be investigated whether an installation of panels on that building could be incorporated in to any future development of the facility, allowing the Council to make an investment sooner and reap both the financial and environmental benefits from a pool installation.

#### 5 RISK ASSESSMENT

- Resources – there is no specific budget for panels on any council building, however an investment in the Council offices and pool could be recovered over several years and therefore would be a candidate for the invest to save fund, which the Council has for this type of capital project. That budget is £250,000, with the savings from such investments being returned to the budget for future projects.
- Technical, Environmental and Legal – there is a national framework agreement in place from which to source suppliers of solar panels. A design would need to be drawn up and planning permission sought for the installation.
- Political – none in the context of the report
- Reputation – The importance of reducing the use of fossil fuels is well known and the Council would be making an investment to help both this and the overall cost of operation of the Council offices.
- Equality and Diversity – none in the context of this report

#### 6. RECOMMENDATION THAT COMMITTEE

- 6.1 Approve a scheme for the installation of solar panels on the Council Offices and pool if suitable.
- 6.2 Approve the installation cost be met from the Councils invest to save fund.

Mark Beveridge  
Head of Cultural and Leisure Services

BACKGROUND PAPERS None  
For further information please ask for Mark Beveridge 01200 425111

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

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meeting date: TUESDAY, 28 March 2023  
title: CELEBRATING THE KING'S CORONATION  
submitted by: CHIEF EXECUTIVE  
principal author: MARSHAL SCOTT, CHIEF EXECUTIVE

### 1 PURPOSE

1.1 To consider how the Council helps celebrate the King's Coronation.

### 2 BACKGROUND

2.1 On 6 May 2023 King Charles III's Coronation ceremony will take place at Westminster Abbey.

2.2 The Coronation programme will include not only the procession and service at Westminster Abbey but also the 'Coronation Big Lunch' across the country on 7 May and the 'Big Help Out' community activity on the bank holiday Monday, 8 May.

### 3 COUNCIL INVOLVEMENT

#### 3.1 Street Parties

The Government believes street parties should be encouraged by supporting residents who want to organise parties for their neighbours.

The Council has already set out advice to residents wishing to organise street parties and we recommend we do any road closures free of charge.

The Mayor and Mayoress intend to visit a number of street parties on Coronation Day.

#### Live Screening of the Coronation

Community Committee have agreed to the siting of two large screens on the Clitheroe Castle bandstand to show the Coronation live.

The BBC have agreed such screenings can take place without the usual licence fee.

Clitheroe Rotary have volunteered to steward the event. The cost of the screens is £3,770.

#### Grants to Parish and Town Councils

The Council offered grants to Parish and Town Councils of £500 to celebrate and commemorate the late Queen's Platinum Jubilee. This was very successful with most Parishes taking up the grant offer.

I would recommend a grant of £250 to encourage all our Parishes to organise their own events.

A grant of £250 to each Council would cost approximately £10,000.

### Big Help Out

The Big Help Out on 8 May is intended to provide an opportunity for people to get involved in volunteering within their communities.

One option we could consider is making litter picking resources available to Parishes if volunteers wanted to improve the appearance of their area. The cost of purchasing 100 litter pickers is approximately £2,000.

## 4 RISK ASSESSMENT

4.1 The Council currently has a budget of £5,610 left from the Platinum Jubilee celebrations and £10,000 in the parish grant reserve.

The cost of the screens, litter pickers and Parish grants would come to £15,770.

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

- Technical, Environmental and Legal – The Council needs to lead in encouraging communities to participate in the Coronation celebrations.
- Political – None.
- Reputation – None.
- Equality & Diversity – None.

## 5 RECOMMENDED THAT COMMITTEE

5.1 Agree to waive charges for processing street closure orders for Coronation street parties.

5.2 Agree grants of £250 to each Parish and Town Council.

5.3 Consider whether to make litter picking equipment available to Parishes.

MARSHAL SCOTT  
CHIEF EXECUTIVE

For further information please ask for Marshal Scott, extension 4400.

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

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DECISION
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meeting date: 28 MARCH 2023  
title: DRAFT CYCLE OF COMMITTEE MEETINGS 2023/24  
submitted by: CHIEF EXECUTIVE  
principal author: JENNY MARTIN

### 1 PURPOSE

1.1 To request Committee's consideration of the proposed meeting cycle for committees for the municipal year 2023/24.

1.2 Relevance to the Council's ambitions and priorities:

One of the Council's stated aims is to be a well-run Council. Meetings of the Council and its committees are arranged to be as accessible as possible to enhance the transparency of the Council's work.

### 2 BACKGROUND

2.1 The draft meeting cycle is drawn up at this time of year for the forthcoming municipal year ie 2023/24

2.2 It is subject to final approval at the Annual meeting on 23 May 2023.

2.3 Some meeting dates have to fit into other timetables, eg approval of the Statement of Accounts, setting the Council Tax.

### 3 ISSUES

3.1 The draft meeting cycle at Appendix A is similar to the cycle for 2022/23. All the committees are the same and the order in which the meetings are held largely remain the same.

3.2 As there are elections in May 2023 for both Borough and Parish councillors it is proposed to put back the date of the Annual meeting by 2 weeks to allow for the legal requirement of 5 days notice of the meeting to all councillors.

3.2 Consideration has been given to various issues that have resulted in

- Meeting dates being arranged around the Easter holidays
- Meeting dates avoiding, where possible half term holidays
- the 'summer' cycle being condensed as far as possible

3.3 All committees and Council are now held back in the Council Chamber as the legislation allowing for remote meeting expired on 7 May 2021. Members will be kept informed of any changes to legislation should this happen.

#### 4 RISK ASSESSMENT

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

- Resources – the estimated costs of administering the committee arrangements is included in the approved budget for 2023/24.
- Technical, Environmental and Legal – None arising as a direct result of this report.
- Political – None arising as a direct result of this report.
- Reputation – None arising as a direct result of this report.
- Equality & Diversity – None arising as a direct result of this report.

#### 5 **RECOMMENDED THAT COMMITTEE**

5.1 Approve the draft meeting cycle at Appendix A for ratification at the Annual Meeting on 23 May 2023.

JENNY MARTIN  
DEMOCRATIC SERVICES OFFICER

MARSHAL SCOTT  
CHIEF EXECUTIVE

#### BACKGROUND PAPERS

Meeting Cycle 2022/23

For further information please ask for Rebecca Tait, extension 4408

REF: RT/P&F04042023

**Ribble Valley Borough Council**  
**Meeting Cycle 2023/24**  
**(23 May 2023 – 14 May 2024)**

<b>MEETINGS</b>	<b>Day</b>	<b>TIME</b>	<b>1<sup>ST</sup> CYCLE 2023</b>	<b>2<sup>ND</sup> CYCLE 2023</b>	<b>3<sup>RD</sup> CYCLE 2023</b>	<b>4<sup>TH</sup> CYCLE 2024</b>	<b>5<sup>TH</sup> CYCLE 2024</b>
Community Services	Tues	<b>6.30pm</b>	30 MAY	22 AUG	17 OCT	9 JAN	12 MARCH
Planning and Development	Thurs	<b>6.30pm</b>	1 JUNE	27 JULY & 24 AUG	19 OCT	11 JAN	14 MARCH
Personnel	Wed	<b>6.30pm</b>	7 JUNE	30 AUG	25 OCT	17 JAN	20 MARCH
Health & Housing	Thurs	<b>6.30pm</b>	8 JUNE	31 AUG	26 OCT	18 JAN	21 MARCH
Licensing	Tues	<b>6.30pm</b>	13 JUNE	5 SEPT	31 OCT	30 JAN	26 MARCH
Economic Development	Thurs	<b>6.30pm</b>	14 JUNE	7 SEPT	2 NOV	25 JAN	4 APRIL
Policy & Finance	Tues	<b>6.30pm</b>	20 JUNE	12 SEPT	7 NOV	23 JAN & 13 FEB	9 APRIL
Parish Liaison	Thurs	<b>6.30pm</b>	22 JUNE	14 SEPT	9 NOV	1 FEB	11 APRIL
Planning & Development	Thurs	<b>6.30pm</b>	29 JUNE	21 SEPT	16 NOV	8 FEB	18 APRIL
Accounts & Audit	Wed	<b>6.30pm</b>	28 JUNE	27 SEPT	22 NOV	14 FEB	17 APRIL
Full Council	Tues	<b>6.30pm</b>	11 JULY	10 OCT	12 DEC	5 MARCH	30 APRIL

2023

Offices Closed

New Year : 2 January 2023

Good Friday : 7 April 2023

Easter Monday : 10 April 2023

May Day : 1 May 2023

Annual Council : 23 May 2023

Borough and Parish Elections : 4 May 2023

2024

Offices Closed

New Year : 1 January 2024

Good Friday : 29 March 2024

Easter Monday : 1 April 2024

May Day : 6 May 2024

Annual Council : 14 May 2024

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

meeting date: 28 MARCH 2023  
 title: REVENUE MONITORING 2022/23  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: VALERIE TAYLOR

### 1 PURPOSE

1.1 To let you know the position for the period April to February 2023 of this year's revised revenue budget as far as this committee is concerned.

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 need. To meet the objective within this priority, of maintaining critical financial management controls, ensuring the authority provides council tax payers with value for money.

Other Considerations – none identified.

### 2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the revised estimate for the period to the end of February. You will see an overall underspend of £184,593 on the net cost of services. Please note that underspends are denoted by figures with a minus symbol. After allowing for transfers to/ from earmarked reserves there is an underspend of £199,830.

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of the period	Actual including Commitments to the end of the period	Variance	
CEEXEC	Chief Executives Department	0	1,025,143	1,003,313	-21,830	R
CIVCF	Civic Functions	67,860	44,737	43,734	-1,003	G
CIVST	Civic Suite	0	30,289	31,644	1,355	G
CLOFF	Council Offices	0	236,071	231,446	-4,625	A
CLTAX	Council Tax	449,770	66,900	80,381	13,481	R
COMPR	Computer Services	0	114,861	106,244	-8,617	R
CORPM	Corporate Management	414,580	0	0	0	G
COSDM	Cost of Democracy	574,340	264,236	262,361	-1,875	G
CSERV	Corporate services	159,870	26,475	9,925	-16,550	R
CTENP	Council Tax Energy Rebates - Acting as Principal	-36,050	-36,832	-36,832	0	G
DISTC	District Elections	0	8,730	10,974	2,244	A
ELADM	Election Administration	24,480	-950	-10,860	-9,910	R
ELECT	Register of Electors	116,350	61,253	62,672	1,419	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of the period	Actual including Commitments to the end of the period	Variance	
EMERG	Community Safety	81,810	4,990	4,102	-888	G
ESTAT	Estates	95,080	-21,297	-15,485	5,812	R
FGSUB	Grants & Subscriptions - Policy and Fin	165,680	145,278	144,765	-513	G
FMISC	Policy & Finance Miscellaneous	70,800	110,405	108,331	-2,074	A
FREED	Freedom of the Borough	9,130	8,773	9,122	349	G
HSUPF	Household Support Fund	-8,200	-8,200	-77,024	-68,824	R
LANDC	Land Charges	33,730	-42,406	-41,681	725	G
LICSE	Licensing	88,460	-68,831	-73,966	-5,134	R
LUNCH	Luncheon Clubs	16,420	13,169	11,995	-1,174	G
NNDRC	National Non- Domestic Rates	70,600	17,042	15,911	-1,131	G
QPJUB	Queen`s Platinum Jubilee	16,390	16,224	15,355	-869	G
RESOR	Resources Department	17,000	2,136,571	2,138,790	2,219	A
SUPDF	Superannuation Deficiency Payments	90,620	60,055	59,546	-509	G
UKSPF	UK Shared Prosperity Fund	0	0	-67,527	-67,527	R
CDCUL	Covid 19 Response - Culture and Other	330	304	356	52	G
CDFCO	Covid 19 Response - Finance and Corporate	1,000	917	1,063	146	G
CDICT	Covid 19 Response - ICT	4,110	3,768	4,428	660	G
COVID	Covid-19 Response	-75,380	-124,660	-124,661	-1	G
	<b>Net cost of services</b>	<b>2,448,780</b>	<b>4,093,015</b>	<b>3,908,422</b>	<b>-184,593</b>	

Transfers to/from Earmarked Reserves				
Reserve	Net Budget for the Full Year	Net budget to the end of the period	Actual to the end of the period	Variance
Covid-19 Reserve	52,180	52,627	51,772	-855
Council Tax Energy Rebate Reserve	36,050	36,050	17,754	-18,296
Cyber Resilience Grant Reserve	-1,130	-1,036	-1,130	-94
Elections Fund Reserve	90,000	0	0	0
Invest to Save Fund	2,000	2,000	2,000	0
Revaluation of Assets Reserve	4,000	0	0	0
Performance Reward Grant Reserve	-14,390	-14,390	-13,855	535
Equipment Reserve	-5,820	-5,335	-2,191	3,144
Parish Grants Reserve	-2,000	-1,834	-1,500	334
Audit Reserve	-46,700	-9,430	-9,435	-5
VAT Shelter Reserve	92,160	0	0	0
<b>Total after Transfers to/from Earmarked Reserves</b>	<b>2,655,130</b>	<b>4,151,667</b>	<b>3,951,837</b>	<b>-199,830</b>

- 2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are potential areas of high concern and green variances are areas, which currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

- 2.3 We have then extracted the main variations for the items included in the red shaded cost centres and shown them with the budget holder's comments and agreed action plans, in Annex 1.
- 2.4 The main variations for items included in the amber shaded cost centres are show with budget holders comments at Annex 2.
- 2.5 In summary the **main** areas of service cost centre variances that are **unlikely** to rectify themselves by the end of the financial year is shown below:

Description	Variance to end February 2023 £
<p><b><u>Council Offices (CLOFF) – Gas</u></b> Underspend on the supply of gas at the council offices during the October to December period. The underspend is partly because usage has been lower than estimated due to the mild winter, but is mainly because the Government Energy Bill Relief Scheme that was announced after this budget estimate was set has reduced the unit cost of gas during the period by 43%.</p>	-£12,726
<p><b><u>Council Offices (CLOFF) – Repair and Maintenance</u></b> Requirements for expenditure on routine maintenance and responsive repairs of the council offices on areas including fire, alarm and heating maintenance, replacement lighting and repairs to toilets, doors, windows etc. is higher than the budget set aside this year.</p>	10,066
<p><b><u>Chief Executive's Department - Employee costs (CEXEC)</u></b> Salary, National Insurance and Superannuation costs within the department are underspending at revised estimate, mainly due to vacancies within the environmental health section.</p> <p>The underspend is partially offset by expenditure on consultancy services to ensure continuation of the environmental health service during the period.</p>	-25,139  5,539

Description	Variance to end February 2023 £
<p><b><u>Council tax (CLTAX) – Citizen’s Access Revenues Module</u></b>  This variance is for implementation (£5,950) and annual license, support and maintenance (£12,348) costs of the Citizens Access Revenues module. The expenditure was approved by this committee In January 2023 and will enable residents to receive e-bills and update their records online, reducing postage and administration costs of the service.</p>	£18,298
<p>The expenditure is initially to be funded from the Council Tax Energy Rebate Reserve.</p>	-£18,298

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows a total underspend of £184,593 to February 2023 of the financial year 2022/23. After allowing for transfers to/from earmarked reserves there is an underspend of £199,830.
- 3.2 £136,351 of the variance is attributable to the Household Support Fund (£69k) and the UK Shared Prosperity Fund (£67k) where grant funds were received after the budgets were estimated. These variances will largely resolve by the end of the financial-year as the accounts are closed down.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF33-23/VT/AC  
20 March 2023

## Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HSUPF/8982z	Household Support Fund/ LCC - Household Support Fund Grant to Distribute	-95,170	-95,170	-222,000	-126,830	£111k of the variance is due to the receipt of tranche 3 funds under the Household Support Fund grant scheme that were received after the revised estimate was established. The remainder of the variance is unallocated, residual funding remaining from the tranche 2 allocation at the end of the scheme.	The household support fund cost centre variances will resolve by the end of the financial year as grant funds are either allocated to associated expenditures or repaid to LCC.
HSUPF/4691	Household Support Fund/Grants to Individuals – Gift Vouchers	17,900	17,900	85,000	67,100	This budget was established at revised estimate to account for expenditure on food vouchers under Household Support Fund (tranche 2). The variance is expenditure on food vouchers in readiness for claimants under tranche 3.	
HSUPF/8983Z	Household Support Fund/ LCC - Household Support Fund-Admin Support	-9,000	-9,000	-18,000	-9,000	This variance is the allocation of admin grant for administering the Household Support Fund (tranche 3).	The grant will fall to general fund balances net of associated admin costs.

## Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
UKSPF/ 8503z	UK Shared Prosperity Fund/ DLUHC - UKSPF Revenue Grant	0	0	-69,805	-69,805	2022/23 Shared prosperity fund revenue grant that was received after the revenue budgets were set.	A plan is to be submitted to the Department for Levelling Up, Housing and Communities (DLUHC) that sets out how underspends will be utilised during the 2023/24 financial year to allow these funds to be carried forward. As such the variance will resolve at the end of the financial year once accountancy adjustments have been finalised.
CEXEC/ 0100	Chief Executives Department/ Salaries	765,210	694,030	673,792	-20,238	Council staffing budgets at revised estimate assume average vacancy underspends of 2% across the authority on estimated costs. Actual underspends for the period to February within the department have exceeded that built into the budget estimate, mainly due to vacancies within the environmental health section.	Salary budgets will continue to be monitored and final outturn will be reported to committee following the end of the financial year.

## Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CEXEC/ 3085	Chief Executives Department/ Consultants	73,690	73,690	79,229	5,539	Ongoing expenditure on consultancy services to ensure continuation of the environmental health service during a prolonged period of vacancies.	This expenditure is being funded from associated underspends within the Chief Executive's departmental salary budget (above)
CLOFF/ 2433	Council Offices/ Gas	72,440	38,607	25,881	-12,726	Underspend on the supply of gas at the council offices for the October-December period. Part of the variance results from reduced usage as the winter has been milder than anticipated. The majority of the variance however is a result of the Government Energy Bill Relief Scheme that had not been announced at the time that the council offices revised gas budget estimate was fixed. The scheme has had the effect of reducing the unit cost of gas by 43%.	The budget will underspend this financial year.
CSERV/ 3264	Corporate services/ Ribble Valley News	10,400	9,534	0	-9,534	Preparation for the Ribble Valley News has been put on hold as quotations this year indicate that the cost of printing, producing and delivery of the publication are around 30% higher than the estimate.	Work is currently underway to reassess the council newspaper, Ribble Valley News, including in-house design and a distribution shift to digital channels.

## Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ELADM/ 2860	Election Administration/ New Burdens Voter ID Costs	8,860	8,122	552	-7,570	Budget established at revised estimate for the expenditure of new burdens grant funding that was received from the government for the costs of implementing changes resulting from the Electoral Integrity Programme.	We are actively now planning for the local elections in May 2023 and orders will be placed for necessary equipment to meet the requirements of the Election Act 2022 shortly.
RESOR/ 0100	Resources Department/ Salaries	1,611,330	1,461,523	1,467,889	6,366	Council staffing budgets at revised estimate assume average vacancy underspends of 2% across the authority on estimated costs. Actual turnover for the period to February within the department overall was lower than that built into the budget estimate.	Salary budgets will continue to be monitored and final outturn will be reported to committee following the end of the financial year.
CLOFF/ 2402	Council Offices/ Repair & Maintenance - Buildings	24,330	21,899	31,965	10,066	Expenditure on routine maintenance and responsive repairs of the council offices on areas including fire, alarm and heating maintenance, replacement lighting and repairs to toilets, doors, windows etc. Expenditure this financial year is higher than the budget set aside.	Expenditure will fall on general fund balances.

## Policy and Finance Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CLTAX/2809	Council Tax/ Non-Recurring Purchases of Equipment etc	0	0	19,719	19,719	£18,300 of the expenditure is for Citizen Access implementation (£5,950) and annual licence, support and maintenance (£12,348) as approved by this Committee in January 2023. The remaining expenditure is for an order placed for leaflets that are to be distributed along with the year-end council tax billing.	The Citizen Access expenditures are to be funded from some of the new burdens funding that has been received since the start of the pandemic. The variance caused by the ordering of the leaflets will resolve by the end of the financial year as costs are recharged.

## Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance
CSERV/ 3166	Corporate services/ Surveys	8,050	6,025	2,025	-4,000	£1k of the variance results from the suspension of the renewal of an annual subscription pending a value for money review. This budget is also available for the cost of carrying out council surveys, the requirements for which have been lower than the budget available this year.
COMPR/ 2991	Computer Services/ Communication Equipment	18,370	18,370	14,571	-3,799	The budget on this code allows for a small element of contingency for any unforeseen costs. To date this has not been needed this year.
LICSE/ 8437u	Licensing/ Premises Licences	-65,000	-61,151	-64,536	-3,385	Income received from fees for issuing premises licences vary depending on the number of new applications received and the number of businesses paying for an annual premises licence during the year. Income received for the year to February is higher than the budget and outturn for the year will be used to inform future estimates.
RESOR/ 1023	Resources Department/ Corporate Training	19,530	17,903	14,844	-3,059	Underspend on the corporate training budget for the period to February. Quotes have been obtained for senior officer refresher training, with online courses planned to be completed before the end of the financial year.

## Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance
COMPR/ 2998	Computer Services/ Software Maintenance	53,850	58,030	55,041	-2,989	There are some invoices yet to be charged for the 2022/23 financial year. The budget on this code also allows for a small element of contingency for any unforeseen costs. To date this has not been needed this year.
RESOR/ 1013	Resources Department/ Tuition Fees	7,600	6,967	4,368	-2,599	Requirements for training for the period to February are lower than allowed for within the budget.
CSERV/ 3277	Corporate services/ Promotional Activities	5,540	3,116	524	-2,592	This budget is available to meet the cost of promoting council news and events. Some of the funds are to be expended on various promotional activities over the next few weeks, but it is likely that the majority of this will now fall into the next financial year.
CEXEC/ 0109	Chief Executives Department/ Superannuation Salaries	120,670	109,360	106,890	-2,470	Lower salary expenditure for the period than estimated for the reasons set out at CEXEC/0100 has resulted in associated lower employer superannuation, national insurance and mileage allowance costs within the Chief Executive Department.
CEXEC/ 0108	Chief Executives Department/ National Insurance Salaries	77,860	71,070	68,639	-2,431	
CEXEC/ 2643	Chief Executives Department/ Mileage Allowances	7,500	6,882	4,523	-2,359	
CEXEC/ 3090	Chief Executives Department/ Legal	5,400	4,950	2,623	-2,327	

## Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance
ELADM/ 2861	Election Administration/ New Burdens Accessibility Costs	2,550	2,338	0	-2,338	Budget established at revised estimate for the expenditure of new burdens grant funding that was received from the government for the costs of implementing changes resulting from the Electoral Integrity Programme. We are actively now planning for the local elections in May 2023 and orders will be placed for necessary equipment to meet the requirements of the Election Act 2022 shortly.
CLTAX/ 8628z	Council Tax/ DCLG Council Tax Reduc - Family Annexes	-9,160	-9,160	-11,193	-2,033	The grant paid from central government to the council to compensate for council tax reductions (family annexes) discounts is received after the revised budgets are estimated. This years grant allocation is higher than that received in recent years.
UKSPF/ 3085	UK Shared Prosperity Fund/ Consultants	0	0	2,278	2,278	Expenditure on consultants to support the council with creating an investment plan for the UK Shared Prosperity Fund and to hold a workshop. This has been funded out of the £20k capacity funding that was included as part of the first year's grant allocation.

## Policy and Finance Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance
ESTAT/ 2402	Estates/Repair & Maintenance - Buildings	10,560	10,560	13,443	2,883	Expenditure on the estates cost centre for repairs and maintenance is higher than the budget set aside for the year. Expenditure falls into two categories, firstly on council owned buildings that generate rental income and secondly on areas of land/property where maintenance expenditure is of such an occasional nature that a separate cost centre has not been established. Around £8k of the spend falls into the first category, with the remainder into the second.
RESOR/ 0350	Resources Department/Agency Staff	0	0	3,688	3,688	Expenditure on agency staff engaged to provide support during the budget setting process during the time that a post was vacant within the accountancy section. The expenditure has been funded from underspends on salary costs from the vacant position.

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

meeting date: 28 MARCH 2023  
 title: CAPITAL PROGRAMME 2023/24  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: ANDREW COOK

**1 PURPOSE**

1.1 To inform members of the schemes approved for inclusion in this Committee's 2023/24 capital programme.

**2 BACKGROUND**

2.1 All committees were asked to put forward proposals for any new capital schemes for inclusion in a five-year capital programme for 2023/24 to 2027/28. At its meeting on 24 January 2023, members considered schemes that had been put forward for this Committee.

2.2 In addition to the above, at its meeting on 24 January 2023, this Committee also considered the progress on the schemes in the 2022/23 capital programme and approved the move of some capital scheme budgets from 2022/23 to 2023/24.

2.3 Following recommendation by Special Policy and Finance Committee on 14 February 2023, Full Council approved the five-year capital programme for 2023/24 to 2027/28 on 7 March 2023.

2.4 The Council's overall capital programme for the five-year period 2023/24 to 2027/28 totals £10,126,410 for all committees. The total for this Committee is £919,110 over the five-year life of the programme. Of this, £522,550 relates to the 2023/24 financial year.

**3 CAPITAL PROGRAMME 2023/24 – APPROVED SCHEMES**

3.1 For this Committee there are nine schemes approved in the 2023/24 capital programme, totalling £522,550. These are shown in the table below and detailed information for the schemes is shown in **Annex 1**.

<b>Cost Centre</b>	<b>Scheme</b>	<b>Budget for 2023/24 £</b>
RREPS	Revenues and Benefits Replacement Server	<b>24,000</b>
CYBER	Cyber Security Solutions Refresh	<b>62,100</b>
AIRCN	Replacement Air Conditioning Units in Server Room	<b>10,700</b>
ERECR	E-Recruitment System (including On-boarding)	<b>44,000</b>
COMLU	Council Offices Mains and LED Lighting Upgrade	<b>97,750</b>
TECHF	Technology Forge Upgrade	<b>27,400</b>

<b>Cost Centre</b>	<b>Scheme</b>	<b>Budget for 2023/24 £</b>
BRKFT	Brookfoot Footbridge, Ribchester – Replacement of Bridge <i>(Budget moved from 2022/23)</i>	<b>110,000</b>
ITINF	ICT Infrastructure Refresh <i>(Budget moved from 2022/23)</i>	<b>116,600</b>
NTWRK	Network Infrastructure <i>(Budget moved from 2022/23)</i>	<b>30,000</b>
	<b>Total – Policy and Finance Committee</b>	<b>522,550</b>

3.2 Responsible officers will complete and update capital monitoring sheets for each scheme, which will be reported regularly to members to give an indication of progress.

3.3 During the closure of our capital accounts there may be some slippage on schemes in the current financial year, 2022/23. A report will be brought to a future meeting of this Committee giving details of any slippage on 2022/23 capital schemes.

#### 4 CONCLUSION

4.1 This Committee has a capital programme for 2023/24 of nine schemes, totalling £522,550.

4.2 Any slippage on the schemes in the 2022/23 capital programme will be reported to this Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF24-23/AC/AC  
13 March 2023

For further background information please ask for Andrew Cook  
BACKGROUND PAPERS – None

**POLICY AND FINANCE COMMITTEE**  
Schemes Approved for the 2023/24 Capital Programme

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# Revenues and Benefits Replacement Server

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**Service Area: Revenues and Benefits**

**Submitted by: Head of Revenues and Benefits**

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**Brief Description of the Scheme:**

This scheme allows for the replacement of the server which hosts the Council's Revenues and Benefits system. The current server was replaced in 2018/19 and will be five years old in 2023/24.

**Revenue Implications:**

None identified.

**Timescale for Completion:**

Mid-year 2023/24.

**Any Risks to Completion:**

There is a risk that the scheme requirements may change as the scheme date draws closer, ICT changes are generally fast paced. The bid assumes at this time that there will remain a status quo in service provision and software provider.

Risks in year for the scheme would be around time pressures and any other commitments with regard to the ICT team.

**Capital Cost:**

<b>2023/24</b> £
24,000

**POLICY AND FINANCE COMMITTEE**  
Schemes Approved for the 2023/24 Capital Programme

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# Cyber Security Solutions Refresh

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**Service Area: IT Services**

**Submitted by: Head of Financial Services**

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**Brief Description of the Scheme:**

This capital scheme is based on the refresh of the following current technologies (when the scheme bid was made in 2018/19):

- Firewall.
- Web\Email Proxy.
- Anti-Virus.

As cyber security is a rapidly evolving area, the solutions available in 2023/24 may be vastly different to the 2018/19 solutions. We will monitor best practice within the field of Cyber Security to underpin the actual solutions refresh specified in 2023/24.

**Revenue Implications:**

None identified.

**Timescale for Completion:**

Mid-Year 2023/24.

**Any Risks to Completion:**

Cyber security is a rapidly evolving area and therefore the solutions available in 2023/24 may be vastly different to previous solutions.

**Capital Cost:**

<b>2023/24</b>
<b>£</b>
62,100

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# Replacement Air Conditioning Units in Server Room

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**Service Area: IT Services**

**Submitted by: Head of Financial Services**

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**Brief Description of the Scheme:**

This scheme is for the replacement of air conditioning units in the server room. The current air conditioning equipment installed in the server room will be eight years old by 2023. This equipment runs non-stop 24/7 and it is vital that this equipment is fully functional in order to keep the server room at an optimal temperature and humidity.

**Revenue Implications:**

None identified.

**Timescale for Completion:**

Mid-Year 2023/24.

**Any Risks to Completion:**

There is a risk that the scheme requirements may change as the scheme date draws closer, ICT changes are generally fast paced. The capital scheme bid (submitted in 2018/19) assumed that there would remain a status quo in ICT service provision and that we continue to require a server room.

**Capital Cost:**

<b>2023/24</b> £
10,700

**POLICY AND FINANCE COMMITTEE**  
Schemes Approved for the 2023/24 Capital Programme

## **E-Recruitment System (including On-boarding)**

**Service Area: Human Resources**

**Submitted by: Head of Human Resources**

**Brief Description of the Scheme:**

This scheme is for the implementation of an E-Recruitment system to provide a complete 'end-to-end' process covering all aspects of the recruitment process from creation of a vacancy through to the appointment of a new member of staff. The system is based on two modules:

- E-recruitment - allows the provision of accurately and effectively supporting applicants through all the stages of the process to the point where a successful candidate is identified.
- On-boarding (appointment stage) - takes the successful candidate through the process of managing their employment contract which builds relationships through to the first day of employment. This module allows HR and new starters to see which tasks have been completed and highlights outstanding actions to enable speeding up appointment times.

**Revenue Implications:**

Annual system maintenance fee = £5,500.

**Timescale for Completion:**

2023/24 financial year.

**Any Risks to Completion:**

None identified.

**Capital Cost:**

<b>2023/24</b>
<b>£</b>
44,000

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# Council Offices Mains and LED Lighting Upgrade

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**Service Area: Council Offices**

**Submitted by: Head of Engineering Services**

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**Brief Description of the Scheme:**

The electrical distribution boards (mains boards) at the Council Offices are becoming redundant after the recent release of the 18th edition back in 2019. The proposed works would ensure surge protection and residual circuit protection (RCD) to all the circuits in the Council Offices. The proposed works would significantly reduce the chance of electric shock to employees and help protect equipment to surges.

This will involve removing all distribution boards at the Council Offices and replacing them for new boards that will meet current legislation.

This scheme also proposes to replace the office lighting for LED lighting as the current fittings are no longer efficient compared to LED.

**Revenue Implications:**

Electricity usage reduced from LED lighting = -£6,000.

**Timescale for Completion:**

April to November 2023.

**Any Risks to Completion:**

IT staff availability for weekends for power down. Surveying section available to work weekends and evenings.

**Capital Cost:**

<b>2023/24</b>
£
97,750

**POLICY AND FINANCE COMMITTEE**  
Schemes Approved for the 2023/24 Capital Programme

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## Technology Forge Upgrade

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**Service Area: Legal, Estates and Finance**

**Submitted by: Head of Legal and Democratic Services**

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**Brief Description of the Scheme:**

This capital scheme is for the upgrade of the existing Asset Management software, Technology Forge, with more current cloud-based software, along with the purchase of some iPads and associated mobile connectivity access. This would allow Legal, Engineers and Finance service areas to work together more effectively in managing and maximising the use of the Council's Assets and would allow officers to benefit from using the mobile functions of the software.

**Revenue Implications:**

One-off YEAR 1 cost:

- Training = £10,400.

Recurring costs (per annum):

- Software Maintenance (new system annual fees less current system annual fees) = £13,400.
- Mobile Connectivity (SIMs for iPads) = £1,200.

**Timescale for Completion:**

2023/24.

**Any Risks to Completion:**

Sufficient resources being available within IT to assist in the roll out and migration of information etc.

**Capital Cost:**

<b>2023/24</b>
<b>£</b>
27,400

**POLICY AND FINANCE COMMITTEE**  
**Schemes Approved for the 2023/24 Capital Programme**

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## **Brookfoot Footbridge, Ribchester – Replacement of Bridge**

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**Service Area: Estates**

**Submitted by: Head of Engineering Services**

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**Budget moved from 2022/23:**

The Council are responsible for the maintenance of Brookfoot Footbridge in Ribchester. The bridge crosses Stydd Brook before it joins the River Ribble and connects Council owned land to a track leading to an adopted highway. The land on both sides of the brook is susceptible to flooding and the bridge itself is at risk of damage when this occurs. The bridge is inspected by Engineering Services on a 3 monthly basis and whilst it is currently considered to be safe, defects have been identified which will need to continue to be monitored.

It is considered that due to the structural type and condition of the bridge, it would only be feasible to replace rather than repair the structure.

Therefore, this capital scheme is for the replacement of the bridge at the appropriate time, based on the results of the regular inspections by Engineering Services.

At the stage of setting the 2022/23 capital programme revised budget, the general state of the bridge indicated that it would need to be replaced. However, the current defects did not make immediate replacement necessary in 2022/23. In addition, Engineers were still awaiting a response from the Environment Agency on whether they had any works planned on the brook to ensure those would not affect the bridge and the Environment Agency will have to approve the proposed works and design of the bridge.

Therefore, in January 2023 this Committee approved the transfer of the £110,000 scheme budget from 2022/23 to 2023/24.

The need for the replacement works will then be re-considered in 2023/24, including the impact of any response received from the Environment Agency.

**Capital Cost:**

<b>2023/24</b>
£
110,000

**POLICY AND FINANCE COMMITTEE**  
**Schemes Approved for the 2023/24 Capital Programme**

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# ICT Infrastructure Refresh

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**Service Area: IT Services**

**Submitted by: Head of Financial Services**

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**Budget moved from 2022/23:**

This scheme is to refresh the Council's ICT infrastructure, which would be five years old in 2022/23, based on the Council's ICT infrastructure needs and the latest infrastructure solutions available at the time of refresh.

At the stage of setting the 2022/23 capital programme revised budget, no progress had been able to be made on this scheme due to other pressures and it was not possible to complete this scheme in the 2022/23 financial year.

Therefore, in January 2023 this Committee approved the transfer of the £116,600 scheme budget from 2022/23 to 2023/24.

**Capital Cost:**

<b>2023/24</b> £
116,600

**POLICY AND FINANCE COMMITTEE**  
**Schemes Approved for the 2023/24 Capital Programme**

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## **Network Infrastructure**

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**Service Area: IT Services**

**Submitted by: Head of Financial Services**

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**Budget moved from 2022/23:**

This scheme is for the replacement of the current hardware that supports the Council's network infrastructure.

At the stage of setting the 2022/23 capital programme revised budget, initial design/recommendations had been received from a supplier and further proposals and quotes were being sought. However, it was not feasible for the scheme to be completed in the 2022/23 financial year.

Therefore, in January 2023 this Committee approved the transfer of the £30,000 scheme budget from 2022/23 to 2023/24.

**Capital Cost:**

<b>2023/24</b> <b>£</b>
30,000

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

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meeting date: 28 MARCH 2023  
title: LOCAL COUNCIL TAX SUPPORT ADDITIONAL SUPPORT FUND  
submitted by: DIRECTOR OF RESOURCES  
principal author: MARK EDMONDSON

### 1 PURPOSE

- 1.1 To update Committee on the progress made with the Local Council Tax Support Additional Support Fund for 2023/24.

### 2 BACKGROUND

- 2.1 Local Council Tax Support (LCTS) replaced Council Tax Benefit in 2013/14. Council Tax Benefit was fully funded by the Government – the Council received 100% subsidy to compensate us for paying out Council Tax Benefit.
- 2.2 LCTS however is not paid as a benefit but instead is a discount on an individual's council tax bill. The Government replaced the subsidy with a grant payable to councils for the cost of LCTS. Crucially they reduced the amount from 100% to 90% and Councils were faced with either absorbing this reduction in funding on their general fund or meeting this from either reductions in council tax support or elsewhere within the council tax system. Importantly after the first year this “grant” was rolled-in to grant settlements and funding was reduced significantly.
- 2.3 After an initial consultation we introduced a scheme broadly similar to the old Council Tax Benefits Scheme but with a 12% (8.5% in the first year) reduction in entitlement for claimants of working age (pensioner claimants were protected by the government).
- 2.4 In response to the impact of the Covid Pandemic the Government introduced a £150 hardship payment for working age claimants of LCTS, for the financial year 2020/21.
- 2.5 A second consultation exercise was undertaken in Autumn 2021 and a decision was taken to remove the 12% reduction in support; applied to working age Local Council Tax Support claimants meaning that those most vulnerable residents could receive up to 100% in LCTS.
- 2.6 This resulted in increased LCTS for approximately 1,200 households 600 of which no longer had to pay Council Tax in 2022/23, greatly assisting our most vulnerable households during the cost of living crisis.

### 3 ISSUES

#### **Local Council Tax Support Additional Support Fund 2023/24**

- 3.1 As a result of the cost of living crisis the Government announced £100 million of additional funding for Local Authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving Council Tax Support. Guidance and funding can be found at Annex A.
- 3.2 Funding has been allocated based on Local Council Tax Support caseload data and Ribble Valley has been allocated £55,503 (Annex A).

- 3.3 For 2023/24 the Government requires local authorities to reduce bills, for both working age and pensioner households in receipt of Local Council Tax Support on 1 April 2023 by up to £25.
- 3.4 Where a taxpayer's liability for 2023/24, following the application of Local Council Tax Support is less than £25 then their liability will be reduced to nil. Where a taxpayer's liability for 2023/24 is nil, no reduction will apply.
- 3.5 This committee on 24 January 2023 decided to increase the £25 payment to £45 and pay all recipients of LCTS in 2023/24.
- 3.6 The first payments totalling £35,035.25 were credited to the annual bills issued on 17 March 2023. 801 households received payments of up to £25 totalling £19,650.28 and 776 of those also received a further payment of up to £20 totalling £15,384.97.
- 3.7 The balance of funding i.e. £18,467.75 will be allocated to new recipients of LCTS during 2023/24.

#### 4 RISK ASSESSMENT

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

- Resources – Funding for the Council Tax Support Fund (£55,503) has been provided by the Government.
- Technical, Environmental and Legal – Section 13A of the Local Government Finance Act 1992 empowers a billing authority to reduce Council Tax as it thinks fit.
- Political – The Government has allocated £55,503 to Ribble Valley for the most vulnerable households. It is essential that we ensure that all that allocation is passed to those households.
- Reputation – Failure to allocate the funding provided by Government to the most vulnerable households as quickly and efficiently as possible would have a negative reputational impact.
- Equality and Diversity – Our Local Council Tax Support Scheme is a means tested scheme linked to the national Housing Benefit Scheme. It provides support to vulnerable households by reducing the amount of Council Tax they are required to pay. The national scheme has in built protections relating to age and disability and those in the protected groups are more likely to be part of low income households.

#### 5 RECOMMENDATION

- 5.1 Committee note the £55,503 allocation from Government for the Council Tax Support Additional Support Fund 2023/24 and the progress made in reducing the Council Tax bills of eligible households.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF36-23/ME/AC  
20 March 2023

For further information please ask for Mark Edmondson

## Council Tax Support Fund guidance

### About this guidance

1. This guidance is intended to support local authorities in using their allocation from the £100m Council Tax Support Fund, announced alongside the 2023-24 provisional Local Government Finance Settlement:

*“We are also today announcing £100 million of additional funding for local authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving council tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area”*

2. The funding is for the 2023-24 financial year. Provisional allocations for each local authority are set out at Annex A, with final allocations to be confirmed at the final Local Government Finance Settlement.
3. This guidance applies to England only. It outlines the underpinning principles for use of the fund and expected eligibility criteria for delivery of the support package.
4. Any enquiries on this document or use of the fund should be addressed to:  
Council.tax@levellingup.gov.uk

### Introduction

5. Council tax levels are a matter for local authorities to decide although the Government sets referendum principles so that residents can have the final say over excessive increases. At Autumn Statement 2022 the Government announced its intention to increase referendum principles to 3% for core council tax and up to 2% for the Adult Social Care precept, with additional flexibilities for some other authority types for both 2023-24 and 2024-25.
6. Recognising the impact of rising bills, the Government will be distributing £100m of new grant funding in 2023-24 for local authorities to support economically vulnerable households in their area with council tax payments.
7. Funding will be allocated to councils based on their share of local council tax support claimants according to the latest data. The Government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.
8. This document provides guidance to authorities about the operation and delivery of the relief.

### Minimum reduction in council tax liability for local council tax support claimants

9. The Government recognises that council tax increases set by local authorities may mean some individuals may struggle to meet council tax payments.

10. Local authorities are required to put in place LCTS schemes to offer council tax reductions to those facing financial hardship and will be preparing their schemes for 2023-24 by the statutory deadline of 11 March.
11. To supplement this local support, the Government expects that billing authorities will use their grant allocation to fund further reductions in the council tax liability of individuals receiving LCTS with an outstanding council tax liability, by up to £25. Local authorities are also able to use a proportion of their allocations to determine their own local approaches to supporting economically vulnerable households with council tax bills.
12. The discount should apply to current LCTS claimants that have an outstanding council tax liability for the 2023-24 financial year. Government expects councils to deliver this using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.
13. Funding will be allocated to local authorities on the basis of their share of the LCTS claimants, based on Q2 data from 2022-23. The money will be paid out as soon as possible to local authorities through a grant under section 31 of the Local Government Act 2003.
14. Where a taxpayer's liability for 2023-24 is, following the application of council tax support, less than £25, then their liability would be reduced to nil. Where a taxpayer's liability for 2023-24 is nil, no reduction to the council tax bill will be available and those bills should not be credited.
15. There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support and automatically apply the discount.
16. Council tax reductions should be applied from the beginning of the 2023-24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March. It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.
17. Authorities will want to make their local populations aware of how the grant support package will be delivered e.g. through providing information on their websites.
18. It is the Government's intention that any assistance provided from the Council Tax Support Fund will not affect the eligibility of recipients for other benefits.

#### **Discretionary support**

19. The Government recognises that existing support mechanisms vary locally, including LCTS schemes, discretionary council tax discount/hardship schemes and local welfare schemes. Councils will want to consider using a proportion of their allocation to establish their own local approach to helping economically vulnerable households with council tax bills.
20. Local authorities should revisit their discretionary approach at intervals during the financial year, in order to ensure expenditure for 2023-24 remains within their allocation.

#### **Funding allocations**

21. The funding is for the 2023-24 financial year. Allocations are set out in annex A and should be used within the 2023-24 financial year.

**Monitoring and reporting requirements**

22. Local authorities should maintain a record of support provided. In particular, councils should ensure that they are able to monitor and report on the level of expenditure provided to LCTS claimants through the provision of additional discounts. Local authorities should also maintain records of the mechanisms and levels of support provided through discretionary schemes.

23. The Department for Levelling Up, Housing and Communities will undertake a quarterly DELTA collection exercise to monitor implementation progress. Councils should therefore ensure they put in place arrangements to support this data collection process.

**New burdens**

24. The Government recognises that the implementation of this policy will place an additional burden on local authorities. In accordance with the New Burdens doctrine the government will conduct an assessment of the expected reasonable additional costs associated with the implementation of the policy, such as staffing and software costs, working closely with local government in doing so.

**Annex A: Funding allocations**

<b>Local authority</b>	<b>Funding allocation (£)</b>
Adur	94,903
Allerdale	186,117
Amber Valley	217,269
Arun	239,565
Ashfield	257,460
Ashford	227,310
Babergh	117,858
Barking & Dagenham	405,573
Barnet	748,633
Barnsley	612,616
Barrow-in-Furness	153,938
Basildon	352,416
Basingstoke & Deane	204,091
Bassetlaw	197,239
Bath & North East Somerset	246,760
Bedford	282,075
Bexley	361,139
Birmingham	3,035,699
Blaby	103,390
Blackburn with Darwen	406,100
Blackpool	502,981
Bolsover	166,562
Bolton	617,940
Boston	113,325
Bournemouth, Christchurch & Poole	636,995
Bracknell Forest	128,690
Bradford	1,150,728
Braintree	200,744
Breckland	213,105
Brent	722,279
Brentwood	87,788
Brighton and Hove	491,912
Bristol	885,177
Broadland	156,284
Bromley	365,066
Bromsgrove	104,391
Broxbourne	143,871
Broxtowe	171,201
Buckinghamshire UA	634,939
Burnley	260,042
Bury	346,328
Calderdale	436,224
Cambridge	176,076
Camden	592,139

Cannock Chase	191,072
Canterbury	253,928
Carlisle	195,948
Castle Point	114,090
Central Bedfordshire	349,148
Charnwood	202,984
Chelmsford	184,879
Cheltenham	173,493
Cherwell	164,691
Cheshire East	521,192
Cheshire West and Chester	536,293
Chesterfield	237,588
Chichester	170,515
Chorley	170,884
City of London	6,747
Colchester	232,528
Copeland	141,156
Cornwall	1,102,683
Cotswold	102,731
Coventry	694,474
Craven	65,413
Crawley	183,561
Croydon	695,634
Dacorum	195,131
Darlington	247,867
Dartford	177,631
Derby	438,385
Derbyshire Dales	83,755
Doncaster	642,266
Dorset	591,427
Dover	233,609
Dudley	640,236
Durham	1,439,998
Ealing	630,696
East Cambridgeshire	95,062
East Devon	216,504
East Hampshire	113,510
East Hertfordshire	136,992
East Lindsey	324,427
East Riding of Yorkshire	511,019
East Staffordshire	161,924
East Suffolk	404,835
Eastbourne	216,346
Eastleigh	130,667
Eden	75,269
Elmbridge	139,707

Enfield	934,856
Epping Forest	156,653
Epsom and Ewell	70,525
Erewash	218,349
Exeter	186,776
Fareham	99,331
Fenland	190,492
Folkestone & Hythe	250,502
Forest of Dean	136,280
Fylde	135,015
Gateshead	525,224
Gedling	172,624
Gloucester	221,275
Gosport	123,604
Gravesham	163,768
Great Yarmouth	267,185
Greenwich	557,904
Guildford	104,602
Hackney	709,312
Halton	306,269
Hambleton	111,217
Hammersmith & Fulham	352,442
Harborough	78,063
Haringey	719,854
Harlow	175,681
Harrogate	190,360
Harrow	346,275
Hart	70,657
Hartlepool	348,937
Hastings	236,560
Havant	221,354
Havering	364,539
Herefordshire	304,556
Hertsmere	162,424
High Peak	151,065
Hillingdon	474,359
Hinckley & Bosworth	129,165
Horsham	145,531
Hounslow	483,109
Huntingdonshire	182,111
Hyndburn	182,691
Ipswich	276,356
Isle of Wight	265,261
Isles of Scilly	1,950
Islington	665,089
Kensington & Chelsea	360,401

Kings Lynn & West Norfolk	250,054
Kingston upon Hull	798,075
Kingston upon Thames	212,103
Kirklees	922,390
Knowsley	470,169
Lambeth	624,687
Lancaster	264,180
Leeds	1,662,116
Leicester	656,313
Lewes	168,249
Lewisham	557,403
Lichfield	130,851
Lincoln	222,803
Liverpool	1,722,389
Luton	299,337
Maidstone	253,164
Maldon	85,917
Malvern Hills	102,125
Manchester	1,286,349
Mansfield	223,989
Medway	411,292
Melton	56,478
Mendip	158,023
Merton	266,684
Mid Devon	97,776
Mid Suffolk	114,116
Mid Sussex	151,355
Middlesbrough	473,542
Milton Keynes	420,886
Mole Valley	87,471
New Forest	208,018
Newark & Sherwood	175,971
Newcastle upon Tyne	992,046
Newcastle-under-Lyme	212,367
Newham	770,798
North Devon	169,382
North East Derbyshire	179,476
North East Lincolnshire	340,583
North Hertfordshire	191,810
North Kesteven	142,500
North Lincolnshire	268,054
North Norfolk	203,643
North Northamptonshire	460,101
North Somerset	310,960
North Tyneside	426,684
North Warwickshire	99,805

North West Leicestershire	124,315
Northumberland	654,441
Norwich	347,698
Nottingham	817,735
Nuneaton & Bedworth	235,348
Oadby & Wigston	64,701
Oldham	572,847
Oxford	244,230
Pendle	203,327
Peterborough	314,122
Plymouth	607,135
Portsmouth	349,016
Preston	315,414
Reading	208,967
Redbridge	452,538
Redcar & Cleveland	361,113
Redditch	146,506
Reigate & Banstead	142,553
Ribble Valley	55,503
Richmond upon Thames	220,115
Richmondshire	54,871
Rochdale	552,633
Rochford	95,958
Rossendale	134,857
Rother	170,647
Rotherham	605,896
Rugby	134,304
Runnymede	79,433
Rushcliffe	123,446
Rushmoor	125,923
Rutland	33,919
Ryedale	80,435
Salford	687,701
Sandwell	831,308
Scarborough	256,537
Sedgemoor	188,410
Sefton	648,881
Selby	117,226
Sevenoaks	159,420
Sheffield	1,138,025
Shropshire	403,570
Slough	253,296
Solihull	339,502
Somerset West & Taunton	278,069
South Cambridgeshire	156,547
South Derbyshire	126,687

South Gloucestershire	290,245
South Hams	130,930
South Holland	130,193
South Kesteven	195,210
South Lakeland	123,367
South Norfolk	181,400
South Oxfordshire	131,563
South Ribble	145,926
South Somerset	247,208
South Staffordshire	144,925
South Tyneside	463,844
Southampton	503,244
Southend-on-Sea	331,121
Southwark	628,482
Spelthorne	116,356
St Albans	158,708
St Helens	388,127
Stafford	172,887
Staffordshire Moorlands	123,103
Stevenage	137,677
Stockport	511,836
Stockton-on-Tees	451,879
Stoke-on-Trent	597,541
Stratford-on-Avon	165,429
Stroud	148,746
Sunderland	819,369
Surrey Heath	60,511
Sutton	308,034
Swale	256,880
Swindon	283,630
Tameside	455,437
Tamworth	131,563
Tandridge	93,533
Teignbridge	244,335
Telford & Wrekin	355,710
Tendring	325,376
Test Valley	123,077
Tewkesbury	125,264
Thanet	344,747
Three Rivers	98,620
Thurrock	244,151
Tonbridge & Malling	171,938
Torbay	334,257
Torridge	103,495
Tower Hamlets	761,046
Trafford	347,250

Tunbridge Wells	146,480
Uttlesford	84,546
Vale of White Horse	123,103
Wakefield	778,177
Walsall	735,588
Waltham Forest	407,893
Wandsworth	383,514
Warrington	321,212
Warwick	191,494
Watford	142,237
Waverley	117,226
Wealden	177,025
Welwyn Hatfield	162,530
West Berkshire	138,468
West Devon	85,969
West Lancashire	229,550
West Lindsey	160,263
West Northamptonshire	495,997
West Oxfordshire	114,643
West Suffolk	227,547
Westminster	416,063
Wigan	659,317
Wiltshire	676,342
Winchester	150,512
Windsor & Maidenhead	113,299
Wirral	789,483
Woking	100,016
Wokingham	103,153
Wolverhampton	660,529
Worcester	170,225
Worthing	146,401
Wychavon	179,950
Wyre	235,954
Wyre Forest	210,311
York	214,818

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

INFORMATION
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meeting date: 28 MARCH 2023  
 title: REVENUES AND BENEFITS GENERAL REPORT  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: MARK EDMONDSON

### 1 PURPOSE

1.1 To inform committee of debts outstanding for business rates, council tax and sundry debtors. Also to update committee on benefits performance, including benefits processing times and overpayment recovery.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives/Corporate Priorities

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

### 2 NATIONAL NON-DOMESTIC RATES (NNDR)

2.1 The following is a collection statement to 19 March 2023:

	£000	£000	2022/23 %	2021/22 %
Balance Outstanding 1 April 2022		340		
NNDR amounts due	22,050			
Plus costs	1			
Transitional surcharge	3			
Write ons	0			
	<b>22,054</b>			
Less				
- Transitional relief	2			
- Exemptions	-472			
- Charity, Rural, Community Amateur Sports Clubs Relief, CARF	-1,883			
- Small Business Rate Relief	-3,893			
- Nursery Discount, Retail Discount, SSB, Flood Relief, Revaluation 2017, Pub, SSB and Other reliefs	-2,026			
- Interest Due	0			
- Write Offs	-176			
	<b>-8,448</b>	13,606		
<b>Total amount to recover</b>		<b>13,946</b>		
Less cash received to 19 March 2023		-13,304	95.4	94.7
<b>Amount Outstanding</b>		<b>642</b>	<b>4.6</b>	<b>5.3</b>

NB The figures included in the table include not only those charges for 2022/23 but also those relating to previous years, but we are required to report to the Department for Levelling Up, Housing and Communities (DLUHC) our in-year collection rate. This figure is published and is used to compare our performance with other local authorities. On this measure our current in year collection rate at 28 February 2023 is 96.49% compared with 97.06% at 28 February 2022.

### 3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 19 March 2023:

	£000	£000	2022/23 %	2021/22 %
Balance Outstanding 1 April 2022		1,277		
Council Tax amounts due	58,686			
Plus costs	79			
Transitional relief	3			
Write ons	3			
	<b>58,771</b>			
Less - Exemptions	-890			
- Discounts	-5,299			
- Disabled banding reduction	-76			
- Council Tax Benefit	4			
- Local Council Tax Support plus Hardship	-2,227			
- Write offs	-27			
	<b>-8,515</b>	50,256		
<b>Total amount to recover</b>		<b>51,533</b>		
Less cash received to 19 March 2023		-50,119	97.3	97.0
<b>Amount Outstanding</b>		<b>1,414</b>	<b>2.7</b>	<b>3.0</b>

NB The figures included in the table include not only those charges for 2022/23 but also those relating to previous years, but we are required to report our in year collection rate to the DLUHC. This figure is published by them and is used to compare our performance against other local authorities. On this measure our current in year collection rate at 28 February 2023 is 98.44% compared to 98.24% at 28 February 2022.

#### 4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 20 March 2023 is:

	£000	£000
Amount Outstanding 1 April 2022		1,181
Invoices Raised	3,759	
Plus costs	0	
		<b>3,759</b>
Less credit notes		-244
Less Write Offs		-20
<b>Total amount to recover</b>		<b>4,676</b>
Less cash received to 20 March 2023		-4,046
<b>Amount outstanding</b>		<b>630</b>

Aged Debtors	000s	%
< 30 days	28	4.44
30 - 59 days	16	2.54
60 - 89 days	72	11.43
90 - 119 days	40	6.35
120 - 149 days	116	18.41
150+ days	358	56.83
	<b>630</b>	<b>100</b>

4.2 The main balance of debt outstanding for '150+ days' is debt relating to overpaid housing benefit due to reasons including fraud. Recovery action continues on such housing benefit debts, with some being paid by instalments.

#### 5 HOUSING BENEFIT AND COUNCIL TAX SUPPORT PERFORMANCE

5.1 The main indicator for Housing Benefit and Council Tax Support performance is known as Right Time. The benefit section also report on Local Performance Indicators that have been set within the department for benefit fraud and overpayments.

5.2 The Department for Work and Pensions does not require Local Authorities (LA's) to report on any other Performance Measures but encourages them to monitor their own performance locally.

5.3 We obviously consider it very important to monitor overpayment data.

##### *Housing Benefit Right Time Indicator 2022/2023*

The right time indicator measures the time taken to process HB/CTS new claims and change events; this includes changes in circumstances, interventions, fraud referrals and prints generated by the benefit department.

Target for year	Actual Performance 1 October 2022 – 31 December 2022	Average Performance
5 days	3.19 days	20 days per IRRV

*New claims performance*

Target for year	Actual Performance 1 October 2022 – 31 December 2022	Top grade 4 for all LA's 2007/08
15 days	16.35 days	Under 30 days

6 HOUSING BENEFIT OVERPAYMENTS

- 6.1 Overpayment means any amount paid as Housing Benefit when there was no entitlement under the regulations.

Performance for the period 1 October 2022 – 31 December 2022:

Performance Measure	%
The amount of Housing Benefit (HB) overpayments recovered during the period being reported on as a percentage of HB overpayments deemed recoverable during that period.	132.0
The amount of Housing Benefit (HB) overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year plus amount of HB overpayments identified during the period.	12.53
The amount of Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year, plus amount of HB overpayments identified during the period.	1.37

7 CONCLUSION

- 7.1 Note the continuing progress that we make in collecting these debts, and the performance of our Housing Benefit Section remains satisfactory.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF23-23/ME/AC  
6 March 2023

For further information please ask for Mark Edmondson.

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

INFORMATION

meeting date: 28 MARCH 2023

title: ALTERNATIVE FUNDING SCHEMES FOR THE ENERGY BILLS  
SUPPORT SCHEME AND THE ALTERNATIVE FUEL PAYMENT UPDATE

submitted by: DIRECTOR OF RESOURCES

principal author: MARK EDMONDSON

### 1 PURPOSE

- 1.1 To update Committee about the progress made with the alternative support for household energy bills announced by Department for Energy Security and Net Zero (ESNZ) in December 2022.

### 2 BACKGROUND

- 2.1 The Government committed to providing support to consumers with their energy costs this winter via the Energy Bills Support Scheme (EBSS) and the Energy Price Guarantee (EPG).
- 2.2 This support is primarily delivered directly as a credit to electricity bills and as a reduction to the unit cost of electricity and gas. However, around one million households across the UK will miss out on EBSS as they do not directly contract with an electricity supplier. They will instead qualify for £400 assistance via the Energy Bills Support Scheme Alternative Funding (EBSSAF).
- 2.3 In addition the Government are providing £200 payments to households that use alternative fuels as their main source of heating i.e. Alternative Fuel Payment (AFP) via their electricity supplier.
- 2.4 Households that are not paid automatically will receive £200 via the Alternative Fuel Payment Alternative fund (AFPAF).
- 2.5 The Government have provided guidance to Local Authorities (LA's) setting out what our role will be in getting these payments to eligible households.

### 3 ISSUES

#### **Eligibility**

#### **ESSSAF**

- 3.1 ESNZ set out the following criteria for eligibility:
  - The dwelling the support is being claimed for is the sole and main residence of the beneficiary.
  - The applicant is responsible for paying for energy used in the dwelling.
  - The household dwelling is not already benefitting from a EBSS payment.
  - The household dwelling is not a business premises and is used wholly or mainly for domestic purposes, except for businesses whose main business activity is to provide long term residential accommodation (landlords etc.).
- 3.2 Examples of groups in scope include:
  - Care home residents (provided they pay towards their care)

- Park home residents
- Households in caravans and houseboats on fixed/registered sites.
- Social and private tenants who get their energy through a commercial supplier e.g. landlords
- Heat network customers not already covered by EBSS
- Farmers in domestic farmhouses, as well as other in domestic residences with a commercial supply
- Homes off the grid

NB this is not an exhaustive list.

### **AFPAF**

3.3 BEIS has set out the following criteria for eligibility:

- The dwelling for which support is being claimed is the sole of main residence of the applicant.
- The applicant or household is responsible for paying for the alternative fuel used in the dwelling as the household's main source of heating and may, through their charges increasing, have the impact of increased alternative fuel costs passed on to them between 1 September 2022 and 31 May 2023.
- The household has not or will not receive a payment through the main AFP scheme.
- The household dwelling is not a business premises or other form of non-domestic premises, is used wholly or mainly for domestic purposes, with the exception of businesses whose main business activity is to provide long term residential accommodation (landlords etc.). Only households, and not the business themselves, may apply for AFPAF.

3.4 Examples of households eligible include:

- Park home residents
- Housing association, social and private tenants, and leaseholders, supplied via a landlord with a commercial meter.
- Households on house boats on residential moorings.
- Households on a private electricity network e.g. heat networks.
- Off grid households
- Traveller households on authorised sites.
- Households in non-permanent/supported accommodation.

### **Applications**

3.5 Applications will be made through a centralised form on Gov.uk.

3.6 A national call centre will be in place for general queries and for those who need to access assisted digital support.

- 3.7 ESNZ will carry out verification checks to ensure applicants already getting EBSS or AFP are prevented from applying.
- 3.8 All payments will be made by BACS and ESNZ will verify bank details before sharing data with Local Authorities.
- 3.9 Verified applications will be passed to LA's who will be asked to carry out three further checks:
- Address verification e.g. Council Tax records
  - Payment details i.e. bank details match name of applicant
  - Check to ensure an EBSSAF or AFPAF payment has not already been made.
- 3.10 LA's will then be required to make the payment, issue decision letters and report the outcome to ESNZ.

### **Funding**

- 3.11 Grant determination letters have been sent to us by ESNZ. We have been allocated £358,800 for EBSS AF and £97,000 for AFP AF i.e. an estimated 897 cases of EBSS AF and 485 cases of AFP AF.
- 3.12 A majority share of the total estimated grant funding has been paid to us.
- 3.13 There will be a reconciliation and assurance process at the end of the scheme.
- 3.14 The Government is committed to providing new burdens funding to LA's for this scheme.

### **Progress**

- 3.15 Applications have started to be made by households.
- 3.16 We have registered and been granted access to the Government Salesforce system containing the applications.
- 3.17 We are currently assessing applications and intend to start making payments by the end of March.

## **4 RISK ASSESSMENT**

- 4.1 The approval of this report may have the following implications:
- Resources – Funding for making the payments is being provided by ESNZ and a new burdens assessment is being done to cover administration etc.
  - Technical, Environmental and Legal – Grant determination letters have been issued by ESNZ which authorise us to make payments on their behalf using the format used for Section 31 LGA Grants.
  - Political – It is essential that we make these payments as efficiently and effectively as possible to ensure funding gets to those in need.
  - Reputation – Failure to deliver this scheme efficiently and effectively would have a negative reputational impact.
  - Equality and Diversity – Eligibility and the application process has been delivered by ESNZ. LA's role is to verify that the applicant is resident at the dwelling notify the decision and make payments.

5 RECOMMENDATION

5.1 Note the progress being made to administer these payments for ESNZ.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF35-23/ME/AC  
20 March 2023

## MINUTES OF BUDGET WORKING GROUP MEETING

HELD 19 DECEMBER 2022

Present: Cllrs: S Atkinson (Chair), S Fletcher, S Hore, R Newmark, D Peat, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

### **1 Apologies**

- 1.1 Cllr J Hill, A Brown, J Rogerson, Director of Economic Development and Planning.

### **2 Minutes of meeting held on 29 November 2022**

- 2.1 Members approved the minutes of the last meeting of the Budget Working Group.

### **3 Provisional Local Government Finance Settlement**

- 3.1 A report was presented by the Director of Resources on the Provisional Local Government Finance Settlement 2023/24.
- 3.2 On the 12 December DLUHC had published a Policy Statement on the future of Local Government finance, confirming the Government's policy intent for the next two years.
- 3.3 The report went through the various funding streams and the position under the policy statement, for both the 2023/24 and 2024/25 financial years.
- 3.4 The Government had again delayed the key reforms to Local Government Finance.
- 3.5 Whilst the report explained that the detail in respect of the council's allocations were expected in the coming days, they had been released just prior to the meeting taking place, but it hadn't been possible to look at the council's allocations in any detail at that point.

### **4 Revenue Budget - Latest Position**

- 4.1 The Director of Resources took members through the latest budget position for the revised Revenue Budget 2022/23 and the Original Estimate 2023/24, based on the information available at that point in time.
- 4.2 The position on the Revised Estimate was showing that £135,934 more would be needed from General Fund balances i.e. taking £548,356 rather than £412,422.
- 4.3 The largest variations on the Revised Estimate had been around:
- Pay increases following the settlement of the pay award £1,925 on all pay points
  - Incremental increases following the introduction of new pay-line
  - Utility bill inflationary increases
  - Losses in income
- 4.4 The position on the Revised Estimate had been helped by the large increase in investment income due to rising interest rates.
- 4.5 At that stage, the detailed expected business rates income had not been calculated, and was shown at the same levels as for the Original Estimate.
- 4.6 The report then went on to look at the Original Estimate for 2023/24. The various assumptions made were detailed in the report – particularly around government funding, council tax increases and interest rates.

- 4.7 Again, at that stage details around business rates had yet to be ascertained and the figures were very much at an early draft stage. At that point in time there was a budget gap shown of £1.4m.
- 4.8 There were discussions around a number of future cost pressures and potential future funding, including around the new Extended Producer Responsibility for Packaging Scheme (EPR).
- 4.9 The position on business rates would be clearer once the NNDR1 return was completed, the deadline for which was the 31 January. As such it was agreed that the next meeting would be around this date.

## **5 Five Year Capital Programme**

- 5.1 A summary of the latest position on the Five Year Capital Programme was provided to members. This reflected discussions that had already taken place at Budget Working Group on the 29 November and CMT on the 14 December.
- 5.2 Budget Working Group agreed with the further suggestions of CMT, particularly in respect of the use of UK Shared Prosperity Fund for a number of schemes.
- 5.3 The capital programme remained unaffordable at that stage and further work was needed in respect of reviewing schemes and agreeing the financing of the same.

## **6 Alternative Support for Household Energy Bills this Winter**

- 6.1 The Chief Executive provided details of a further Government scheme to support households with their energy bills over winter.
- 6.2 The criteria of the government scheme would mean that most members of the following groups would be eligible for support (although the list was not exhaustive):
- Care home residents (provided they in some way pay towards their care);
  - Park home residents;
  - Households in caravans and houseboats on fixed/registered sites;
  - Social and private tenants who get their energy through a commercial supplier (e.g. a landlord);
  - Heat network customers not already covered by main EBSS (private wire/CHP);
  - Farmers in domestic farmhouses, as well as others in domestic residences with a commercial supply;
  - Homes off the grid.
- 6.3 Further details of the operation of the scheme and timelines was given, including high level information about New Burdens funding for local authorities.

## **7 Any Other Business**

- 7.1 There were no items of other business

## **8 Date and Time of Next Meeting**

- 8.1 It was agreed that the next meeting would be towards the end of January to allow a further review of the revenue budget once details of business rates income was known. This would be after completion of the NNDR1 return.

## CLIMATE CHANGE WORKING GROUP – 23 November 2022 at 3.00pm via Zoom

PRESENT:

Cllr David Berryman ((DB) (Chair)	Nicola Hopkins (NH) - Director of Economic Development and Planning
Cllr Judith Clark (JC)	Jaqui Houlker (JH) – Principal Policy & Performance Officer (Note taker)
	Helen Boyle - Head of Regional Development for the North West and West Midlands at Cadent

### APOLOGIES

Received for Cllrs Stephen Atkinson, Robert Thompson, Stewart Fletcher, Sue Bibby and Jonathan Hill.

Marshal Scott, John Heap, Olwen Heap, Mair Hill and Colin Hirst.

### MINUTES

The minutes of the meeting held on 29 September 2022 were approved as a correct record.

### MATTERS ARISING FROM MINUTES

- 1. Colin Hirst would put an item on the agenda for the next Economic Development Partnership meeting regarding charging points at their premises – on the agenda for October meeting**
- 2. John Heap to explore the installation of 2 EV points on the car park at Barclay Road, Longridge – no problem with the feasibility of this. There is currently a scheme pending for EV points on car parks generally.**  
23/11/22 NH confirmed that there is an existing growth bid for charging points in the Borough including Barclay Road - this matter should be raised with the Budget Working Group.
- 3. John Heap to seek expert advice on where best to install solar panels – looking at this in order of ‘quick wins’ – where they will be most effective first e.g., public toilet blocks. A survey is being carried out.**  
23/11/22 NH reported that work is underway.
- 4. John Heap would invite the Regional Development Officer from Cadent to give a presentation to the working group on plans for hydrogen blending for domestic/industrial use – apologies given this time – they will attend the next meeting.**  
23/11/22 Helen Boyle, Head of Regional Development for the North West and West Midlands at Cadent attended the meeting. See notes – PRESENTATION FROM CADENT below.
- 5. Olwen Heap would follow up tree planting opportunities with Hanson Cement – a small area of land available. The Chair will contact Sam Wrathall to discuss.**

23/11/22 Chair to report back at the next meeting.

- 6. Marshal Scott to ask RRT where the trees had been planted with the £15k given to them – 9 woodlands; 16.3 hectares of land; 14,879 trees. The group would like to invite Jack Spees to attend a meeting in the new year and supply a map of where trees have been planted. They would also like to make a request to Policy & Finance committee for a further £15k grant to RRT.**

23/11/22 Jack Spees to be invited to the next meeting.

- 7. Nicola Hopkins would ask the ‘tree officers’ be look out for areas of land appropriate for tree planting – done.**

23/11/22 NH informed the group that tree officers had not identified any land appropriate for tree planting at the moment. They would however continue to look for available land.

The Chair asked if an update could be provided on the number of trees that have been planted at the end of the financial year.

- 8. Marshal Scott to circulate One Carbon World report once received – done – an item on this agenda.**

23/11/22 See note ONE CARBON WORLD (OCW) REPORT below.

- 9. The note from Colin Hirst on HUG would be circulated – done.**

- 10. John Heap would report the application for bathing water status to Community Services committee for their endorsement – entered into a dialogue with Jack Spees. More information required before a report can be done to committee.**

23/11/22 JH will speak to John Heap requesting an update for the next meeting.

- 11. Cllr Fletcher to contact with St James’ school regarding climate change issues – this is in the pipeline – hoping to invite some children to speak to the Town Council.**

23/11/22 The Chair will contact Whalley Community Hydro to request some funding.

#### PRESENTATION FROM CADENT

The Chair welcomed Helen Boyle, Head of Regional Development for the North West and West Midlands. Helen introduced herself and gave the following verbal presentation to the group.

- Cadent is the UK’s largest gas distribution network and Helen is responsible for supporting the transition away from natural gas to green gases as well as working with potential hydrogen producers to increase hydrogen production across the regions.
- Working collaboratively with electricity distribution network operators, to support local authorities accelerate net zero ambitions. HyNet is the UK’s leading industrial decarbonisation project, that will reduce the amount of carbon dioxide emitted from across the region by a quarter starting in the mid-2020s.

- This will be done by locking away carbon dioxide emitted by heavy industry and by providing locally produced low carbon hydrogen to power industry, transport and heat homes and businesses.
- Hydrogen will be manufactured in the North West at the low carbon hydrogen production plant at Ellesmere Port supplying local industry with hydrogen. As production increases the number /network of industries supplied will also increase.
- Hydrogen will be transported by underground pipelines, and it can be stored in facilities which currently store natural gas to manage energy demand.
- It is planned that homes in the Whitby area of Ellesmere Port will be the UK's first 'Hydrogen Village' to use 100% hydrogen for heating, cooking and hot water by 2025.
- HyDeploy is working with Cadent and other partners to show that blending low carbon hydrogen with fossil gas can be blended safely into existing networks. Carbon can be reduced by about 7%.

#### Questions and Answers.

- Cllr. JC - Where is the nearest green hydrogen plant? Lancaster area.
- Cllr. DB - Commented that there has recently been an experiment at Clitheroe Cement Works, where hydrogen had been tankered in.
- Cllr. DB – How long has the project been running for? HyNet started with the concept about 7 years ago.

#### ONE CARBON WORLD (OCW) REPORT

JH informed the group that the updated OCW report was coincidentally received on Monday, apologies were received from OCW for the delay in updating the report, requested in late September. Waste data has now been removed.

However, JH queried the natural gas consumption data which in 2019 was noted as m3 and in 2020 was noted as kWh, both years had similar consumption values. The correct calculation has now been applied by OCW and a further update of the report has been received, which now shows a true like-for-like reflection.

The updated report shows that electricity, natural gas, and vehicle fuels now account for the most significant emissions overall. The revised report will be circulated to the group with these meeting notes.

#### RIBBLE VALLEY CLIMATE ACTION NETWORK (RVCAN) OPEN LETTER TO COUNCILLORS.

There are two points arising from the letter, which are:

1. That Ribble Valley Borough Council declare a Climate Change Emergency, and
2. That the Council organises Citizens Assemblies on the climate emergency in the Ribble Valley.

The group discussed the letter. The Chair will write a letter in response to RVCAN.

JH informed the group that a Residents Survey that includes questions on Climate Change is scheduled to go out in early 2023.

## ANY OTHER BUSINESS

- The Chair informed the group that he had received a letter from Mr Harry Gee about two wheelie bins that are located in Longridge for collection of coffee pods. The bins are located in a local charity shop; however, they cannot be emptied quickly enough so can no longer be placed in the charity shop.

Mr Gee asks whether the Council can help with this issue. The group decided that this is a matter for Longridge Town Council. Cllr Clark suggested this could be raised at the Parish Council Liaison Group to establish whether there is an aspiration to role this out further.

- NH informed the group that Councillor Hore with Chipping Community Energy Group (CCEG) is working on a Stage 2 feasibility project; looking to bid for funding for a low carbon heating energy scheme. To bid for this money, the CCEG is looking for support from RVBC. A letter will be sent stating that RVBC is fully in favour of supporting the CCEG with this project.

## ACTIONS

1. **Group to ask the Budget Working Group if the 2 EV points on the car park at Barclay Road, Longridge are included in the existing growth bid.**
2. **Chair to contact Sam Wrathall at Hanson Cement about a piece of land for tree planting.**
3. **Jack Spees to be invited to the next meeting to supply a map of where trees have been planted. The group would also like to make a request to Policy & Finance committee for a further £15k grant to RRT.**
4. **JH to request an update from John Heap for the next meeting about the application for bathing water status to Community Services committee for their endorsement**
5. **Chair to contact Whalley Community Hydro to request funding for St James School.**
6. **Chair to forward the letter from Mr Harry Gee about the emptying of coffee pod wheelie bins to the Parish Council Liaison Group**
7. **NH to draft a letter to Chipping Community Energy Group endorsing support for the low carbon heating energy scheme they are presently working on.**

## DATE AND TIME OF NEXT MEETING

**Wednesday, 18 January 2023 at 3:00pm via Zoom.**

The meeting closed at 3.50pm.

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of the Local Government Act 1972.

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