

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 24 JANUARY 2023
 title: ORIGINAL REVENUE BUDGET 2023/24
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

- 1.1 To agree the draft revenue budget for 2023/24, for consideration at Special Policy and Finance Committee.

2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

3 Year Budget Forecast

- 2.1 The budget forecast was presented to Policy and Finance Committee in September. The forecast took into account our knowledge at the time of;

- Covid19
- Changes to the prime minister and the ministerial team
- Changes to our key funding streams
- Cost of living crisis and impact on demand for our services
- Fast moving inflation

Potential Recession and Impact on our Income Levels

- 2.2 The forecast predicted a budget gap of;

£	
2023/24	1,040,966
2024/25	1,394,296
2025/26	2,412,914

- 2.3 Since the forecast was prepared we have seen;
- Another new prime minister and ministerial team
 - Further increases in inflation
 - Further increases in interest rates
 - Further increase in energy costs

Provisional Local Government Finance Settlement

- 2.4 On 19 December 2022 the Government announced the Provisional Finance Settlement after a week earlier producing a Policy Statement which set out the Government's intention for local government finance over the next two years.

- 2.5 The main points of the Policy Statement as far as we concerned were;
- 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 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.

2.6 In the Policy Statement 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."

2.7 The table below shows the assumption made in the Budget Forecast compared with the Provisional Settlement.

	2023/24 Budget Forecast	Provisional Settlement
Council Tax Income (based on £5/£10 inc)	4,232,861	4,138,936
Business Rates Baseline Funding	1,422,113	1,405,077
Transition Grant	695,411	0
New one-off Funding Guarantee	0	788,858
Revenue Support Grant	215	48,588
Less rolled in grants: <i>Council tax annexe discount</i> <i>Local Council Tax Support Admin Subsidy</i>	0	-46,310
New Homes Bonus	420,000	506,197
Rural Services Delivery Grant	118,913	113,250
Lower Tier Services Grant	65,058	0
Services Grant	0	52,612
	6,954,571	7,007,208

2.8 Overall our funding is broadly the same albeit slightly higher (£53,000) than our forecast in September

2.9 However a significant concern is that the new Funding Guarantee is described as a one off grant. Our forecast had assumed we would receive protection via a transition grant each year. This adds considerably more uncertainty to our future financial position and something that will be factored in when we produce an updated 3 year Budget Forecast later in the budget cycle.

2.10 Policy and Finance Committee, when considering our budget forecast, had already recognised that we would have to rely on our reserves in the interim in order to meet our budget deficit. They also recommended that;

- Committees in reviewing their estimates should find savings where possible
- Committees should increase fees and charges in line with the CPI in September (10.1%).

3 BUDGET PROCESS

- 3.1 Following a great deal of in-depth service analysis and meetings with regard to this committee's budgets by the council's accountants, budget holders, heads of service and management team, a proposed draft budget is now presented to members. This budget is agreed as that which best reflects the services of this committee for the next financial year.
- 3.2 Presented elsewhere on the agenda for decision are the proposed fees and charges for 2023/24. The consequential impact of these fees and charges have been incorporated in to the service budgets shown within this report, and as such this report assumes that they will be approved by committee.
- 3.3 When all committees have approved their detailed estimates the overall position will be considered by Budget Working Group.
- 3.4 The Budget Working Group will then make recommendations in order to produce a balanced budget for consideration at the Special meeting of Policy and Finance Committee. The final budget report will then be presented to Full Council, at which point the Council Tax for 2023/24 will also be approved.

4 2023/24 DRAFT REVENUE BUDGET

- 4.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for pay increases at 5% and price increases at 7.5% and income at 5%.
- 4.2 The base budget for these inflationary increases has been the Adjusted Original Estimate as referred to in your previous report on the Revised Estimate. This Adjusted Original Estimate brings in the known sizeable inflationary increases that have already been seen on top of the 2022/23 Original Estimate.
- 4.3 Within this report the budget is shown in the same manner in which they are reviewed. Each costs centre within the report is shown individually. Behind each costs centre is a great deal more subjective level detailed budgets, but for the purposes of this report they are summarised in to the standard local government CIPFA Service Reporting Code of Practice basis.
- **Employee Related:** this group includes the cost of employees, both direct and indirect to the council.
 - **Premises Related:** this group includes expenses directly related to the running of premises and land.
 - **Transport Related:** this group includes all costs associated with the provision, hire or use of transport, including travelling allowances.
 - **Supplies and Services:** this group includes all direct supplies and service expenses to the council.
 - **Third Party Payments:** a third party payment is a payment to an external provider which is operating independently, in return for the provision of a service.

- **Transfer Payments:** this includes the cost of payments to individuals for which no goods or services are received in return by the local authority. A key item here would be the payment of housing benefits.
- **Support Services:** charges for services that support the provision of services to the public. At this council the main support service cost is the support from staff based at the council offices building and the building's associated cost.
- **Depreciation and Impairment:** this is the revenue impact of capital items shown in the service revenue accounts of the council.
- **Income:** this includes income from fees and charges, grants, donations and contributions. Also shown here is the associated 'income' to a support service from the redistribution of its costs to those providing services to the public

4.4 As you will see, the draft proposed budget for 2023/24 for each service area is also built up looking at a number of stages. The starting point is the base budget, being the Original Estimate for the current financial year. A summary of the various elements is given below.

- **Adjusted Original Estimate 2022/23:** This represents the base budget for the council and assumes no change in service level from that set for the previous year's original estimate.
- **Inflation at 5% Pay, 7.5% Prices and 5% Income:** The budget forecast allows for inflation on pay at 5%, prices at 7.5% (with some exceptions such as grants) and initially income at 5% in line with the September budget forecast. This is where that general allowance for inflation is brought in to the individual budget
- **Savings:** Here any savings or additional income that is identified from past service experience or trends would be brought in to the budget to adjust the base budget.
- **Variation to Standard Budgeted Inflation %:** Inevitably, as we undertake detailed work on the budget it becomes evident that there are some items of income or spend that experience a greater or lower level of inflation. This is where we adjusted for those differing levels of inflation. An example is energy costs. Also included here is the further increase to fees and charges as recommended by Policy and Finance Committee - bringing in an overall increase to fees and charges in line with CPI of 10.1% (5% of which is shown above).
- **Unavoidable Changes to Service Costs:** This relates to changes to a service, for example where costs are demand driven.
- **Support Services:** Any changes that relate to the recharging of support service costs are included in this column.
- **Capital:** Any changes relating to depreciation and impairment are included in this column
- **DRAFT Original Estimate 2023/24:** The final column is the total of all preceding columns and is constructed from the base budget and any necessary changes to the base that are needed. If approved this will then form the base budget in next year's budget process.

- 4.5 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2022/23 Adjusted Original Estimate, to the DRAFT Original Estimate for 2023/24. Comments are also provided on the main variances.

5 COMMITTEE SERVICE ESTIMATES

5.1 **Cost Centre and Description** CEXEC: Chief Executives Department

The Chief Executive's Department comprises two service units: Legal and Democratic Services and Environmental Health. Legal and Democratic services provide the council with advice on legal issues and support to the democratic process, it also has responsibility for the Committee Services section, which prepares and distributes agendas, and offers support to the Borough Mayor. Environmental Health provides commercial and domestic environmental health support and also the building control function within the area.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	1,260,210	63,030		-46,270	-135,360			1,141,610
Premises Related Expenditure	910	70		-30				950
Transport Related Expenditure	28,430	2,140	-2,570	-40				27,960
Supplies & Services	46,920	3,530	-3,390	-260	-850			45,950
Support Services	240,890	0				54,530		295,420
Total Expenditure	1,577,360	68,770	-5,960	-46,600	-136,210	54,530	0	1,511,890
Customer & Client Receipts	-7,410	-370		-340	0			-8,120
Other Grants and Contributions	-8,810	0		-820				-9,630
Departmental Recharges	-1,498,430	0				4,290		-1,494,140
Total Income	-1,514,650	-370	0	-1,160	0	4,290	0	-1,511,890
Net Expenditure	62,710	68,400	-5,960	-47,760	-136,210	58,820	0	0

CEXEC: Chief Executives Department

Commentary on Substantial Budget Changes

Employee Related Expenditure

The £135k decrease reported as unavoidable changes to service costs is the result of departmental restructures that have moved the officers (and associated base budgets) between department. The decrease is due to the building control service moving across to the Economic Development and Planning Department (offset by an officer joining this department from the Resources department). Other movements are reported as changes to standard budgeted inflation following a full review of estimated costs. This movement includes salary scale point movements, a reduction in the employer superannuation contribution rate from 17.1% to 14.7% (following the 3-yearly actuarial review) and a reduction in the employer national insurance rate from 15.05% to 13.8%.

Transport Related Expenditure

Savings have been proposed in this area for officer mileage, rail and parking expenses following a review of recent expenditures that are lower than the original estimate.

Supplies & Services

Savings proposed are mainly in the budgets for printing and stationery where it is likely that the current home/ office working hybrid arrangements are reducing council expenditure, and for publications where the legal services section have secured savings due to negotiation of a multi-year contract at favourable rates. Unavoidable changes are mainly due to movement of the building control budget for photocopying expenditures across to the Economic Development and Planning department following the restructure.

Support Services

Net increase in support service costs due to changes in cost allocations from council premises, the ICT, Community Services and Resources Departments.

Departmental Recharges

An decrease to the estimated net cost of the department for the 2023/24 financial year has in turn decreased the recharges out to other service areas.

5.2 **Cost Centre and Description** CINTR: Clitheroe Interchange

This budget was established to account for expenditures relating to the old ticket office that was returned to the council following Lancashire County Council's decision to discontinue the service.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Premises Related Expenditure	7,430	560	-3,210		-4,780			0
Support Services	700	0				-700		0
Depreciation and Impairment	1,460	0					-1,460	0
Total Expenditure	9,590	560	-3,210	0	-4,780	-700	-1,460	0
Net Expenditure	9,590	560	-3,210	0	-4,780	-700	-1,460	0

CINTR: Clitheroe Interchange

Commentary on Substantial Budget Changes

Draft budgets have been moved to form part of the council's general estates budget (ESTAT).

5.2 **Cost Centre and Description** CIVCF: Civic Functions

The costs included here relate to all mayoral expenditure including the mayoral and deputy mayoral allowances and costs incurred in relation to events, functions, mayoral transport and the cost of associated support services.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	14,900	740		310	1,920			17,870
Premises Related Expenditure	10	0						10
Transport Related Expenditure	8,450	630		-440	0			8,640
Supplies & Services	23,450	1,760		-210				25,000
Support Services	19,530	0				1,100		20,630
Total Expenditure	66,340	3,130	0	-340	1,920	1,100	0	72,150
Net Expenditure	66,340	3,130	0	-340	1,920	1,100	0	72,150

CIVCF: Civic Functions

Commentary on Substantial Budget Changes

Employee related expenditure

The unavoidable changes increase follows a review of pension scheme employee membership and associated employer costs.

Support Services

Net increase in support service costs due to changes in cost allocations from the Community Services, Chief Executives and Resources Departments.

5.3 **Cost Centre and Description** CIVST: Civic Suite

All running costs for the civic suite are shown here, including staffing and cleaning of the facility. On occasions the civic suite is hired out to external organisations, for which a charge is made. Council departments are also charged a proportion of the running costs.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	11,390	570	-50	570	140			12,620
Premises Related Expenditure	30,300	2,270		7,420	50			40,040
Supplies & Services	2,240	170	-1,130					1,280
Support Services	9,550	0				710		10,260
Depreciation and Impairment	9,380	0					3,350	12,730
Total Expenditure	62,860	3,010	-1,180	7,990	190	710	3,350	76,930
Customer & Client Receipts	-2,520	-130		-120	-2,000			-4,770
Departmental Recharges	-55,020	0				-17,140		-72,160
Total Income	-57,540	-130	0	-120	-2,000	-17,140	0	-76,930
Net Expenditure	5,320	2,880	-1,180	7,870	-1,810	-16,430	3,350	0

CIVST: Civic Suite

Commentary on substantial budget changes

Premises Related Expenditure

The variation to standard inflation is mainly due to proposed increases for the cost of gas and electricity usage at the Civic Suite, based on average annual usage and with inflation estimated to be 74% for electricity and 116% for gas.

Supplies and Services

Proposed savings following detailed review of historical expenditure on various supplies and services budgets at the Civic Suite, but mainly for equipment and materials.

Customer and Client Receipts

An increase in estimated income for hire of the Civic Suite due to increased demand has been reported as unavoidable changes.

Capital

The estimated annual depreciation charge has been increased following an upwards revaluation of the building.

Departmental Recharges

An increase to the estimated net cost of the Civic Suite for the 2023/24 financial year has in turn increased the recharges out to other service areas.

5.4 **Cost Centre and Description** CLOFF: Council Offices

This budget is for the cost of our main council offices in Clitheroe. All running costs are collated under this budget and then recharged to the services that use the building.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	61,490	3,080		0	-90			64,480
Premises Related Expenditure	220,820	16,560		120,200	-4,000	-20		353,560
Supplies & Services	9,830	740		370	580			11,520
Third Party Payments	880	70						950
Support Services	24,470	0				1,840		26,310
Depreciation and Impairment	81,450	0					-4,950	76,500
Total Expenditure	398,940	20,450	0	120,570	-3,510	1,820	-4,950	533,320
Customer & Client Receipts	-31,090	-1,550		-3,160	-580			-36,380
Departmental Recharges	-323,400	0				-173,540		-496,940
Total Income	-354,490	-1,550	0	-3,160	-580	-173,540	0	-533,320
Net Expenditure	44,450	18,900	0	117,410	-4,090	-171,720	-4,950	0

CLOFF: Council Offices

Commentary on Substantial Budget Changes

Premises Related Expenditure

The variation to standard inflation is mainly due to proposed increases for the cost of gas (£80k) and electricity (£38k) usage at the Council Offices, based on average annual usage and with inflation estimated to be 74% for electricity and 116% for gas.

Unavoidable changes are a reduction to the repairs and maintenance budget for the offices (to other repairs and maintenance areas following review).

Capital

The estimated depreciation charge for the main council offices building has increased for next year by £5k following an upwards revaluation of the building. This has been offset by adjustments to the annual charge for various capital schemes, mainly the replacement PC capital scheme which will be fully depreciated during the 2022/23 financial year.

Support Services

Net increase in support service costs due to changes in cost allocations from the Community Services and Resources Departments.

Departmental Recharges

An increase to the estimated net cost of the council offices for the 2023/24 financial year has in turn increased the recharges out to other service areas.

5.5 **Cost Centre and Description**

CLTAX: Council Tax

This budget is for the cost of administration and collection of council tax. It includes the costs of maintaining the software, postages, bailiff fees, court costs and support services costs.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	81,950	6,140		3,160	2,110			93,360
Support Services	421,850	0				38,790		460,640
Total Expenditure	503,800	6,140	0	3,160	2,110	38,790	0	554,000
Government Grants	-8,900	0			8,900			0
Customer & Client Receipts	-81,790	-4,090			1,210			-84,670
Other Grants and Contributions	-2,520	0						-2,520
Total Income	-93,210	-4,090	0	0	10,110	0	0	-87,190
Net Expenditure	410,590	2,050	0	3,160	12,220	38,790	0	466,810

CLTAX: Council Tax

Commentary on Substantial Budget Changes

Supplies and Services

The estimated variation to inflation is mainly due to an increase in postage costs of £5k offset by a reduction to estimated software maintenance charges. The unavoidable change is an estimated increase to the cost of family annexes discounts.

Support Services

Net increase in support costs due to changes in cost allocations mainly from the Resources Departments.

Government Grants

The Government's provisional settlement has notified that the annual family annexes grant previously received from central government is now to form part of the revenue support grant. The £8,450 income estimate has therefore been removed from the council tax budget as an unavoidable change.

Customer and Client Receipts

Estimated reduction to the number of council tax summonses included in the base estimate following review of income levels.

5.6 **Cost Centre and Description**

COMPR: Computer Services

The Computer (ICT) Services Section function supports all the services in the council where there is an ICT reliance. It is responsible for the installation and development of the computer based systems of the council. Management of the data protection responsibilities of the council also falls within this service area. These costs are fully recharged to service users. Additionally, digital communications such as the corporate website and work on the main corporate social media accounts is undertaken within this service

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	115,360	8,660	-1,240	2,980	-1,380			124,380
Support Services	254,710	0				26,050		280,760
Depreciation and Impairment	10,220	0					21,660	31,880
Total Expenditure	380,290	8,660	-1,240	2,980	-1,380	26,050	21,660	437,020
Departmental Recharges	-375,740	0				-61,280		-437,020
Total Income	-375,740	0	0	0	0	-61,280	0	-437,020
Net Expenditure	4,550	8,660	-1,240	2,980	-1,380	-35,230	21,660	0

COMPR: Computer Services

Commentary on Substantial Budget Changes

Supplies & Services

Variations to standard inflation and unavoidable changes are mainly relating to various hardware and software maintenance agreements following a detailed review of current contracts. The proposed saving is a reduction to the estimated budget for expenditure on individual printer cartridges due to the introduction over recent years of departmental shared printers.

Support Services

Increase to support service costs charged to the Computer Section from the council offices and Resources Department.

Capital

The estimated depreciation charge has been increased for the ICT and Network infrastructure refresh capital schemes.

Departmental Recharges

An increase to the net cost of the computer services section has in turn increased the recharges out to other service areas.

5.7 **Cost Centre and Description**

CORON: Coronation of King Charles

Budget established from funds remaining from the Queen's Platinum Jubilee celebrations to be used towards expenditures relating to the Coronation of King Charles.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	0				5,610			5,610
Total Expenditure	0	0	0	0	5,610	0	0	5,610
Net Expenditure	0	0	0	0	5,610	0	0	5,610
Associated Movement in Earmarked Reserves	0				-5,610			-5,610
Net After Earmarked Reserves	0	0	0	0	0	0	0	0
CORON: Coronation of King Charles								
Commentary on Substantial Budget Changes								
Budget established from funds remaining from the Queen's Platinum Jubilee celebrations in 2022/23 (QPJUB) to be used towards expenditures relating to the King's Coronation. To be funded from the Performance Reward Grant reserve.								

5.7 **Cost Centre and Description**

CORPM: Corporate Management

Corporate Management concerns those activities and costs that provide the infrastructure to allow services to be provided and the information that is required for public accountability. This budget includes staff indirectly employed on corporate issues such as corporate planning, council and corporate policy making, preparation of published accounts, publicity, estimating and accounting for precepts.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Support Services	365,530	0				54,090		419,620
Total Expenditure	365,530	0	0	0	0	54,090	0	419,620
Net Expenditure	365,530	0	0	0	0	54,090	0	419,620

CORPM: Corporate Management

Commentary on Substantial Budget Changes

Support Services

Net increase in support service costs due to changes in cost allocations from the Community Services, Chief Executives, Resources, and Economic Development and Planning Departments.

5.8 **Cost Centre and Description** COSDM: Cost of Democracy

This budget includes member allowances, special responsibility allowances, member travel expenses, council meeting expenses and miscellaneous costs relating to members.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	6,040	310		1,060				7,410
Premises Related Expenditure	710	50		-20				740
Supplies & Services	293,780	22,040	-8,210	-5,330				302,280
Support Services	247,730	0				29,920		277,650
Depreciation and Impairment	16,070	0					3,700	19,770
Total Expenditure	564,330	22,400	-8,210	-4,290	0	29,920	3,700	607,850
Net Expenditure	564,330	22,400	-8,210	-4,290	0	29,920	3,700	607,850

COSDM: Cost of Democracy

Commentary on Substantial Budget Changes

Employee Related Expenditure

An increase to the estimated annual cost of employer national insurance liabilities under this cost centre following review.

Supplies and Services

A detailed review has been undertaken of expenditures for supplies and services that has identified proposed areas for savings. Main savings identified are £4.7k due to the termination of the Blackberry enterprise agreement and savings of £1.7k following a reduction to the number of postages for council meeting.

The variation to standard inflation follows a detailed review of allowances payments that have reduced estimates by £9k, offset by an increase to annual software maintenance costs of £4k for modgov.

Support Services

Net increase in support service costs due to changes in cost allocations from council premises, the ICT, Community Services, Chief Executives, Resources and Economic Development and Planning Departments.

Capital

The estimate for the annual depreciation charge for capital projects charged to this cost centre has increased following review.

5.8 **Cost Centre and Description** COVID: Covid-19 Response

Budgets for the council's response to the coronavirus pandemic, including new burdens grant funding and direct expenditures. The budget excludes none specific grant income and funds that have been received for distribution to businesses and the general public.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Government Grants	-12,400	0			12,400			0
Total Income	-12,400	0	0	0	12,400	0	0	0
Associated Movement in Earmarked Reserves	12,400	0	0		-12,400			0
Net After Earmarked Reserves	0	0	0	0	0	0	0	0

COVID: Covid-19 Response
Commentary on Substantial Budget Changes

Government Grants

A budget was established for government grant income to be received during the 2022/23 financial year for post-payment assurance new burdens work. As this is non-recurring the estimate has been removed for the next financial year.

Earmarked reserves

The grant income is to be set aside in the COVID-19 earmarked reserve.

5.9 **Cost Centre and Description**

CSERV: Corporate services

Costs here relate to performance management, policy development and review, consultation and corporate communications. This includes the production of the Ribble Valley News publication.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	32,400	2,430		-270				34,560
Support Services	152,630	0				11,660		164,290
Total Expenditure	185,030	2,430	0	-270	0	11,660	0	198,850
Net Expenditure	185,030	2,430	0	-270	0	11,660	0	198,850
CSERV: Corporate Services								
Commentary on Substantial Budget Changes								
<u>Support Services</u>								
Net increase in support service costs due to changes in cost allocations mainly from the Resources departments.								

5.10 Cost Centre and Description

DISTC: District Elections

Shown here are the costs of holding the local elections, being once every four years. An earmarked reserve is set aside to fund this cost. The next elections are in 2023.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	0	0			180,000			180,000
Total Expenditure	0	0	0	0	180,000	0	0	180,000
Net Expenditure	0	0	0	0	180,000	0	0	180,000
Associated Movement in Earmarked Reserves	30,000	0			-160,000			-130,000
Net After Earmarked Reserves	30,000	0	0	0	20,000	0	0	50,000

DISTC: District Elections**Commentary on Substantial Budget Changes****Employee Related Expenditure**

Shown in the original estimate 2023/24 budget are the estimated cost of the 2023 local elections.

Associated Movement in Earmarked Reserves

The cost of the district elections is met from an earmarked reserve where funds are set aside on an annual basis. Next year £180k is estimated to be released from the reserve for the cost of the election. This is offset by £50k that is also to be set aside in the reserve towards the cost of the election in 2027.

5.11 Cost Centre and Description

ELADM: Election Administration

This budget is for the cost of administering elections to the council. It only covers the support service costs.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	0				23,330			23,330
Support Services	36,960	0				-410		36,550
Total Expenditure	36,960	0	0	0	23,330	-410	0	59,880
Government Grants	0				-23,330			-23,330
Total Income	0	0	0	0	-23,330	0	0	-23,330
Net Expenditure	36,960	0	0	0	0	-410	0	36,550

ELADM: Election Administration**Commentary on Substantial Budget Changes****Government Grants**

The council is to receive £23k in grant income next financial year for the cost of introducing changes resulting from the Electoral Integrity Programme.

Supplies and Services

Associated expenditures of the Programme on Voter ID and Accessibility costs have been brought into draft budgets.

5.12 **Cost Centre and Description** ELECT: Register of Electors

The council has a statutory duty to compile and maintain a register of all those entitled to vote.

Canvassers collect information on individuals living in the Ribble Valley which together with information from pre-printed forms posted out, are used to compile a register. The budget covers employee costs, printing and stationery costs, software maintenance costs and postages. Once completed part of the register is available for sale. Recently there has been a move from household information to an individual register, this has been grant funded with an earmarked reserve set up to fund future costs.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	6,750	340	-3,570	0				3,520
Supplies & Services	49,830	3,740	-1,080	2,080				54,570
Support Services	43,920	0				6,600		50,520
Total Expenditure	100,500	4,080	-4,650	2,080	0	6,600	0	108,610
Customer & Client Receipts	-1,460	-70						-1,530
Total Income	-1,460	-70	0	0	0	0	0	-1,530
Net Expenditure	99,040	4,010	-4,650	2,080	0	6,600	0	107,080

ELECT: Register of Electors

Commentary on Substantial Budget Changes

Employee expenditure

Canvas reforms have reduced the necessity to employ casual workers during the annual canvas resulting in the proposed savings shown in this area.

Supplies & Services

The variation to standard budgeted inflation is largely due to increases to postage costs. This is partially offset by savings of £1k for printing and stationery costs that can be proposed under this cost centre following canvas reform that has reduced expenditure in this area.

Support Services

Net increase in cost allocations from the Chief Executives and Resources Departments.

5.13 **Cost Centre and Description** EMERG: Community Safety

The Council is designated as a Category 1 responder under the Civil Contingency Act and as such is required to work with other agencies to develop and provide a suitable robust response to a range of identified local civil emergency risks.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	8,280	620	-4,890		440			4,450
Third Party Payments	890	70			10			970
Support Services	59,520	0				40,710		100,230
Total Expenditure	68,690	690	-4,890	0	450	40,710	0	105,650
Net Expenditure	68,690	690	-4,890	0	450	40,710	0	105,650

EMERG: Community Safety

Commentary on Substantial Budget Changes

Supplies and Services

Proposed savings are mainly a reduction to the equipment and materials budget following a review of future requirements. Unavoidable changes are an increase to software maintenance costs of £1.5k that has been offset by an accountancy adjustment of £1k that has removed the charge in from another cost centre for use of the two-way radio system.

Support Services

Net increase in support service costs due to changes in cost allocations from the ICT, Community Services, Chief Executives and Resources Departments.

5.15 Cost Centre and Description

ESTAT: Estates

The council has many assets, which include land and property. Most are accounted for on their own cost centres, with other residual sites budgeted for here. Individual Heads of Service manage the properties that support their operations and the legal section support this work.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Premises Related Expenditure	6,650	500		-10	15,190			22,330
Supplies & Services	1,920	140		100				2,160
Support Services	38,310	0				21,410		59,720
Depreciation and Impairment	54,530	0					16,890	71,420
Total Expenditure	101,410	640	0	90	15,190	21,410	16,890	155,630
Customer & Client Receipts	-34,850	-1,750		-2,350	-7,640			-46,590
Miscellaneous Recharges	-70	0						-70
Total Income	-34,920	-1,750	0	-2,350	-7,640	0	0	-46,660
Net Expenditure	66,490	-1,110	0	-2,260	7,550	21,410	16,890	108,970
Associated Movement in Earmarked Reserves	2,000	0			-2,000			0
Net After Earmarked Reserves	68,490	-1,110	0	-2,260	5,550	21,410	16,890	108,970

ESTAT: Estates

Commentary on Substantial Budget Changes

Premises related expenditure

The repairs and maintenance budget of £5k for the old ticket office has been moved to this cost centre and the council is now responsible for the cost of utilities and business rates of previously leased out buildings (£10k)

Support Services

Net increase in support service costs due to changes in cost allocations from the Community Services, Chief Executives and Resources Departments.

Capital

Increased depreciation charges are mainly due to upwards revaluations of properties accounted for within the general estates budgets.

Customer and Client Receipts

The variation to standard budgeted inflation is mainly the result of an increase to the annual income that is received for a leased out property following a rent review. Unavoidable changes are income that is expected to be received for rental of the old ticket office (£9k) less a reduction to estimated ground rent income following review (£1k).

Associated Movements in Earmarked Reserves

A capital project to refurbish the Queensway garages was funded from the Invest to Save earmarked reserve, with the additional income generated as a result of the project being repaid to the fund on an annual basis up to the value of the initial capital scheme. As the final repayment is to be made in the 2022/23 financial year the budgeted addition to the reserve has now been reduced to nil.

5.16 **Cost Centre and Description**

FGSUB: Grants & Subscriptions - Policy and Fin

Within this budget are various Grants, Contributions and Subscriptions paid by the Council from this Committee. The major payments under this budget are to Citizen's Advice Bureau, Ribble Valley Crossroads and Local Government Association (subscription). In addition, the concurrent function grants are allocated from this budget.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	13,040	980		560				14,580
Transfer Payments	149,010	0						149,010
Support Services	8,340	0				9,180		17,520
Total Expenditure	170,390	980	0	560	0	9,180	0	181,110
Net Expenditure	170,390	980	0	560	0	9,180	0	181,110
FGSUB: Grants & Subscriptions - Policy and Fin								
Commentary on Substantial Budget Changes								
<u>Support Services</u>								
Net increase in support service costs due to changes in cost allocations from the Resources Department.								

5.17 Cost Centre and Description

FMISC: Policy & Finance Miscellaneous

Included in this budget are the council's external audit fees and charges for the council's bank accounts.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	4,640	240		120	-3,770			1,230
Premises Related Expenditure	650	50						700
Supplies & Services	128,560	9,650		81,180	5,440			224,830
Third Party Payments	2,570	190			-2,760			0
Support Services	45,880	0				2,690		48,570
Total Expenditure	182,300	10,130	0	81,300	-1,090	2,690	0	275,330
Interest	-300	-20						-320
Other Grants and Contributions	-20,000	0						-20,000
Total Income	-20,300	-20	0	0	0	0	0	-20,320
Net Expenditure	162,000	10,110	0	81,300	-1,090	2,690	0	255,010
Associated Movement in Earmarked Reserves	-11,180	0		1,490	3,690			-6,000
Net After Earmarked Reserves	150,820	10,110	0	82,790	2,600	2,690	0	249,010

FMISC: Policy & Finance Miscellaneous

Commentary on Substantial Budget Changes

Employee Related Expenditure

The unavoidable movement of £3k is removal of a budget for cyber resilience training that is now to be accounted for within the Resources department cost centre (RESOR).

Supplies & Services

The variation to standard inflation at £81k is an increase to external audit fees which are set by Public Sector Audit Appointment Ltd (PSAA) are which are expected to increase considerably next financial year. Unavoidable changes are due to an increase in the number of card payments being processed by the council (£3k) and an increase to the cost of the annual valuation of the council's assets as a result of the additional work now required of the council's valuer during the external audit process (£2k)

Third Party Payments

The budget has been removed for the cost of the National Fraud Initiative exercise which is undertaken biennially and which is net scheduled to be undertaken in 2024/25.

Support Services

Increase in support service cost allocation from the Resources Department.

Associated Movement in Earmarked Reserves

The variation to standard budgeted inflation is an increase towards the annual contribution to reserves towards the cost of the full valuation of the council's assets which is undertaken every five years (with a desktop valuation annually). The unavoidable change is a decrease to the amount to be drawn from the cyber resilience reserve for training under this cost centre, the expenditures for which are now to be accounted for within the Resources department (RESOR).

5.16 Cost Centre and Description

FREED: Freedom of the Borough

Budget established to account for the cost of the 2022 Freedom of the Borough Parade.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Premises Related Expenditure	680	50			-730			0
Supplies & Services	7,450	560			-8,010			0
Total Expenditure	8,130	610	0	0	-8,740	0	0	0
Net Expenditure	8,130	610	0	0	-8,740	0	0	0

FREED: Freedom of the Borough**Commentary on Substantial Budget Changes**

This budget was established to account for the cost of the 2022 Freedom of the Borough Parade. As a non-recurring expenditure the budget for next year has been reduced to nil.

5.18 Cost Centre and Description

LANDC: Land Charges

The council holds and compiles the register of charges affecting properties, which then forms the basis of the local land charges search.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	1,220	60		10				1,290
Supplies & Services	11,180	840		20				12,040
Support Services	78,650	0				4,440		83,090
Total Expenditure	91,050	900	0	30	0	4,440	0	96,420
Customer & Client Receipts	-80,150	-4,010		-4,100	14,440			-73,820
Total Income	-80,150	-4,010	0	-4,100	14,440	0	0	-73,820
Net Expenditure	10,900	-3,110	0	-4,070	14,440	4,440	0	22,600

LANDC: Land Charges**Commentary on Substantial Budget Changes****Support Services**

Net increase in support service costs due to changes in cost allocations from the Community Services, Chief Executives, Resources and Economic Development and Planning Departments.

Customer and Client Receipts

Fees and charges income for searches of the land charges register has been inflated by 10.1% in line with proposed increases to fees next year. As this is higher than standard inflation of 5% the difference is shown in the variation to standard budgeted inflation column.

At the time of the income review there was a notable reduction in demand that is likely due to a slowdown in the housing market. As it is probable that income levels will also be reduced somewhat into the next financial year the estimate has been reduced, with the movement shown as an unavoidable change.

5.19 **Cost Centre and Description** LICSE: Licensing

The council has a statutory duty to licence premises that serve alcohol, provide regulated entertainment or permit gambling and issue personal licenses to individuals. In addition the council licenses hackney and private hire drivers, vehicles and operators.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	2,980	150		-20				3,110
Supplies & Services	26,960	2,020	-1,830		-560			26,590
Support Services	151,270	0				25,490		176,760
Total Expenditure	181,210	2,170	-1,830	-20	-560	25,490	0	206,460
Government Grants	0	0						0
Customer & Client Receipts	-128,890	-6,430		1,460	10,070			-123,790
Other Grants and Contributions	-2,860	0						-2,860
Total Income	-131,750	-6,430	0	1,460	10,070	0	0	-126,650
Net Expenditure	49,460	-4,260	-1,830	1,440	9,510	25,490	0	79,810

LICSE: Licensing

Commentary on Substantial Budget Changes

Supplies and Services

The cost of purchasing taxi plates is expected to reduce following a procurement exercise which has allowed for a proposed saving under this cost centre.

Support Services

Net increase in support service costs due to changes in cost allocations from the Chief Executives, Resources and Economic Development and Planning Departments.

Customer & Client Receipts

Variations to standard inflation are an increase to locally set taxi licensing fees to 10.1% (£2k) less decreases to standard inflation in other areas where fees are set nationally and where the council have not been notified of any increases for the next financial year.

Taxi licensing income has not yet fully recovered back to pre-pandemic levels and so draft estimates have been reduced under unavoidable changes. It is thought that some drivers who left the profession during the pandemic have not returned and that the cost of living crisis is impacting on the night time economy.

5.20 **Cost Centre and Description**

LUNCH: Luncheon Clubs

Financial support is provided by the Council to develop new and existing clubs to help them become self sustainable in the longer term

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Transfer Payments	13,970	0						13,970
Support Services	2,480	0				280		2,760
Total Expenditure	16,450	0	0	0	0	280	0	16,730
Net Expenditure	16,450	0	0	0	0	280	0	16,730

5.21 Cost Centre and Description

NNDRC: National Non Domestic Rates

The administration and collection of national non-domestic rates

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	11,270	830		-140				11,960
Support Services	146,950	0				3,010		149,960
Total Expenditure	158,220	830	0	-140	0	3,010	0	161,920
Government Grants	-92,240	0			-630			-92,870
Customer & Client Receipts	-4,000	-200			2,060			-2,140
Other Grants and Contributions	-170	0						-170
Total Income	-96,410	-200	0	0	1,430	0	0	-95,180
Net Expenditure	61,810	630	0	-140	1,430	3,010	0	66,740

NNDRC: National Non Domestic Rates**Commentary on Substantial Budget Changes****Support Services**

Net increase in support service costs due to changes in cost allocations from the ICT section and the Community Services, Chief Executives and Resources Departments.

Customer and Client Receipts

The estimated annual income for the recovery of the cost of summonses is based on expected income levels for 2022/23 inflated. Following review the estimate has been reduced for the next financial year.

5.21 **Cost Centre and Description**

QPJUB: Queen`s Platinum Jubilee

This budget was established to account for the costs of commemorating the Queen's Platinum Jubilee.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Supplies & Services	19,420	1,460			-20,880			0
Transfer Payments	0	0						0
Total Expenditure	19,420	1,460	0	0	-20,880	0	0	0
Total Income	0	0	0	0	0	0	0	0
Net Expenditure	19,420	1,460	0	0	-20,880	0	0	0
Associated Movement in Earmarked Reserves	-20,000	0			20,000			0
Net After Earmarked Reserves	-580	1,460	0	0	-880	0	0	0
QPJUB: Queen`s Platinum Jubilee								
Commentary on Substantial Budget Changes								

This budget was established to account for the costs of commemorating the Queen's Platinum Jubilee during 2022. As a non-recurring expenditure the budget has been reduced to nil for the 2023/24 financial year. £6k of the budget that was unspent has been retained to contribute towards any expenditures on the Kings Coronation (see CORON).

5.22 **Cost Centre and Description**

RESOR: Resources Department

The Resources Department comprises three service units: Financial Services, Revenues & Benefits, and HR. The Financial Services Section provides the Accountancy and Internal Audit services of the Council. The section is responsible for all matters of financial administration. The section's main tasks are the preparation of budgets, closure of the Council's accounts, payment of invoices, the collection of debt, the treasury management function, and also the achievement of the annual internal audit plan. The Revenues and Benefits Section includes the collection of Council Tax and Business Rates, the processing of Housing and Council Tax Benefit and dealing with first point of contact for a range of council services and functions through the Contact Centre and also the Cash Office. the HR Section includes HR, Corporate policy, Communications, Health and Safety, Printing and Typing.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	2,179,230	108,970		-30,890	-46,260			2,211,050
Premises Related Expenditure	1,820	140		-40				1,920
Transport Related Expenditure	27,740	2,090	-4,000	-70				25,760
Supplies & Services	165,180	12,400	-5,830	-3,980	14,450			182,220
Support Services	233,870	0				84,690		318,560
Depreciation and Impairment	16,270	0					-2,530	13,740
Total Expenditure	2,624,110	123,600	-9,830	-34,980	-31,810	84,690	-2,530	2,753,250
Customer & Client Receipts	-5,480	-270			1,990			-3,760
Other Grants and Contributions	-20	0						-20
Departmental Recharges	-2,511,420	0				-238,050		-2,749,470
Total Income	-2,516,920	-270	0	0	1,990	-238,050	0	-2,753,250
Net Expenditure	107,190	123,330	-9,830	-34,980	-29,820	-153,360	-2,530	0
Associated Movement in Earmarked Reserves	0				-1,210			-1,210
Net After Earmarked Reserves	107,190	123,330	-9,830	-34,980	-31,030	-153,360	-2,530	-1,210

RESOR: Resources Department

Commentary on Substantial Budget Changes

Employee Related Expenditure

The unavoidable changes to service cost is mainly the result of departmental restructures that have moved a position (and the associated base budgets) across to the Chief Executives Department. Other movements are reported as changes to standard budgeted inflation following a full review of estimated costs. This movement includes salary scale point movements, a reduction in the employer superannuation contribution rate from 17.1% to 14.7% (following the 3-yearly actuarial review) and a reduction to the employer national insurance rate from 15.05% to 13.8%.

Transport Related Expenditure

Savings have been proposed in this area for officer mileage and rail expenses following a review of recent expenditures that are lower than the original estimate.

Supplies and Services

Savings proposed in this area are mainly for printing and stationery expenditures where expenditure is lower than budgeted (£1k) and software maintenance savings following cessation of a contract (£4k).

Variations to standard inflation are mainly in respect of software maintenance expenditures following a detailed review of contracts and their current costs. Unavoidable charges of £11k have been brought into the draft budget for a software upgrade that may be required next year and £3k for the estimated revenue costs of the e-recruitment capital scheme.

Support Services

Net increase in support service costs due to changes in cost allocations from the council premises, ICT section and Chief Executive's Department.

Capital

Reduction to the estimated annual depreciation charge for the financial system upgrade capital scheme.

Customer and Client Receipts

Estimated reduction to income received for producing printed materials for other organisations due to reduced demand.

Departmental Recharges

The increase in net expenditure is reflected in an increase in recharges out to other services areas.

Associated Movement in Earmarked Reserves

Release from the Cyber Resilience reserve for associated training that is planned for the 2023/24 financial year.

5.23 **Cost Centre and Description**

SUPDF: Superannuation Deficiency Payments

Cost here relate to historic liabilities arising from unfunded pension costs. It includes the cost of past added years' service, which is the cost of making up the years when employees retired early. Currently payments are made to Lancashire County Council and West Yorkshire pension funds. The budget also covers the cost of actuarial information of the pension fund.

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	3,690	180		30				3,900
Supplies & Services	0	0		700				700
Third Party Payments	85,000	6,380		3,820				95,200
Total Expenditure	88,690	6,560	0	4,550	0	0	0	99,800
Net Expenditure	88,690	6,560	0	4,550	0	0	0	99,800

SUPDF: Superannuation Deficiency Payments

Commentary on Substantial Budget Changes

Third Party Payments

Estimated increase in the cost of the council's superannuation deficiency payments (which are linked to inflation).

6 SUMMARIES

6.1 The draft budget is summarised in two ways. One over the cost of the service provided by the committee (objective). The other is over the type of expenditure and income (subjective)

a) Cost of service provided by the committee (Objective)

Cost Centre and Description	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
CEXEC: Chief Executives Department	62,710	68,400	-5,960	-47,760	-136,210	58,820		0
CINTR: Clitheroe Interchange	9,590	560	-3,210		-4,780	-700	-1,460	0
CIVCF: Civic Functions	66,340	3,130		-340	1,920	1,100		72,150
CIVST: Civic Suite	5,320	2,880	-1,180	7,870	-1,810	-16,430	3,350	0
CLOFF: Council Offices	44,450	18,900		117,410	-4,090	-171,720	-4,950	0
CLTAX: Council Tax	410,590	2,050		3,160	12,220	38,790		466,810
COMPR: Computer Services	4,550	8,660	-1,240	2,980	-1,380	-35,230	21,660	0
CORON: Coronation of King Charles	0				5,610			5,610
CORPM: Corporate Management	365,530	0				54,090		419,620

a) Cost of service provided by the committee (Objective)

Cost Centre and Description	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
COSDM: Cost of Democracy	564,330	22,400	-8,210	-4,290		29,920	3,700	607,850
COVID: Covid-19 Response	-12,400	0			12,400			0
CSERV: Corporate services	185,030	2,430		-270		11,660		198,850
DISTC: District Elections	0	0			180,000			180,000
ELADM: Election Administration	36,960	0			0	-410		36,550
ELECT: Register of Electors	99,040	4,010	-4,650	2,080		6,600		107,080
EMERG: Community Safety	68,690	690	-4,890		450	40,710		105,650
ESTAT: Estates	66,490	-1,110		-2,260	7,550	21,410	16,890	108,970
FGSUB: Grants & Subscriptions - Policy and Fin	170,390	980		560		9,180		181,110
FMISC: Policy & Finance Miscellaneous	162,000	10,110		81,300	-1,090	2,690		255,010
FREED: Freedom of the Borough	8,130	610			-8,740			0

a) Cost of service provided by the committee (Objective)

Cost Centre and Description	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
LANDC: Land Charges	10,900	-3,110		-4,070	14,440	4,440		22,600
LICSE: Licensing	49,460	-4,260	-1,830	1,440	9,510	25,490		79,810
LUNCH: Luncheon Clubs	16,450	0				280		16,730
NNDRC: National Non Domestic Rates	61,810	630		-140	1,430	3,010		66,740
QPJUB: Queen`s Platinum Jubilee	19,420	1,460			-20,880			0
RESOR: Resources Department	107,190	123,330	-9,830	-34,980	-29,820	-153,360	-2,530	0
SUPDF: Superannuation Deficiency Payments	88,690	6,560		4,550				99,800
Grand Total	2,671,660	269,310	-41,000	127,240	36,730	-69,660	36,660	3,030,940
Associated Movement in Earmarked Reserves	13,220	0	0	1,490	-157,530			-142,820
Net After Earmarked Reserves	2,684,880	269,310	-41,000	128,730	-120,800	-69,660	36,660	2,888,120

b) Type of Expenditure/Income (Subjective)

	Adjusted Original Estimate 2022/23	Inflation at 5% Pay, 7.5% Prices and 5% Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2023/24
Employee Related Expenditure	3,552,540	177,670	-3,620	-75,080	-3,420			3,648,090
Premises Related Expenditure	269,980	20,250	-3,210	127,520	5,730	-20		420,250
Transport Related Expenditure	64,620	4,860	-6,570	-550	0			62,360
Supplies & Services	1,049,020	78,710	-27,600	80,960	20,280			1,201,370
Third Party Payments	89,340	6,710		3,820	-2,750			97,120
Transfer Payments	162,980	0						162,980
Support Services	2,583,740	0				416,080		2,999,820
Depreciation and Impairment	189,380	0					36,660	226,040
Total Expenditure	7,961,600	288,200	-41,000	136,670	19,840	416,060	36,660	8,818,030
Government Grants	-113,540	0			-2,660			-116,200
Other Grants and Contributions	-34,380	0		-820				-35,200
Customer & Client Receipts	-377,640	-18,870		-8,610	19,550			-385,570
Interest	-300	-20						-320
Departmental Recharges	-4,764,010	0				-485,720		-5,249,730
Miscellaneous Recharges	-70	0						-70
Total Income	-5,289,940	-18,890	0	-9,430	16,890	-485,720	0	-5,787,090
Net Expenditure	2,671,660	269,310	-41,000	127,240	36,730	-69,660	36,660	3,030,940
Associated Movement in Earmarked Reserves	13,220	0	0	1,490	-157,530			-142,820
Net After Earmarked Reserves	2,684,880	269,310	-41,000	128,730	-120,800	-69,660	36,660	2,888,120

7 EARMARKED RESERVES

- 7.1 In the Original Estimate for 2022/23 this committee planned to add £13,220 to earmarked reserves to support its expenditure in future years. Looking forward to 2023/24, the proposal included in the estimates is that this committee take £142,820 from earmarked reserves.
- 7.2 The table below provides a summary of the DRAFT Original Estimate for 2023/24 together with the budgeted impact on the relevant earmarked reserves. Also detailed is a summary of the reasons for the movements on the earmarked reserves.

	DRAFT Original Estimate 2023/24	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	3,030,940	
FNBAL/H230 Election Fund	-130,000	Reserve established from monies set aside on an annual basis to smooth out the cost of local elections. £180k is budgeted to be released from this reserve in the next financial year for the cost of running the 2023 local elections. This is offset by £50k that is to be set aside in the reserve as the annual contribution towards the 2027 elections.
FNBAL/H269 Revaluation Reserve	4,000	Reserve established from monies set aside on an annual basis to smooth out the costs of the 5-yearly full revaluation of the council's assets. This contribution represents the annual contribution to the reserve for the financial year 2023/24
FNBAL/H294 Cyber Resilience Reserve	-11,210	Release of grant funds held in reserve that are budgeted to be expended in 2023/24 on cyber resilience and recovery external consultancy support and training.
FNBAL/H326 Performance Reward Grant Reserve	-5,610	Funds remaining from the Queen's Platinum Jubilee celebrations that are available for expenditures relating to the King's Coronation.
Committee Net Cost of Services after Movements on Earmarked Reserves	2,888,120	

8 KEY VARIATIONS

- 8.1 The net expenditure for this committee has increased by £203,240 after allowing for associated movements on earmarked reserves. The main reasons for this net increase are summarised in the table below.

Description	Movement from Original Estimate 2022/23 to DRAFT Original Estimate 2023/24 £
Additional Inflation added to the Original Estimate in September 2022 to arrive at the Adjusted Original Estimate 2022/23	240,330
<p><u>Chief Executive's and Resources Departments</u> Departmental salary, national insurance and superannuation budgets have reduced within this committee for the 2023/24 draft estimate. £182k of the reduction is due to a restructure that has moved the building control section (and associated budgets) across to the Economic Development and Planning department. Other movements include reductions to the employers superannuation and national insurance contribution rates.</p>	-261,720
<p><u>Gas and Electricity</u> Increases to gas and electricity estimates that are above standard inflation for the Council Offices and Civic Suite. Estimates assume average annual usage and no reductions to unit costs from any extension to the government's Energy Bill Relief Scheme.</p>	126,570
<p><u>External audit fees</u> Estimated increase to the cost of external audit fees next year which are set by the Public Sector Audit Appointments Ltd (PSAA). Also included here is a similar level of increase in the grants audit fee.</p>	81,290
<p><u>Inflation</u> Standard inflationary increases to budgets of 5% for pay, 7.5% for prices and 5% for income.</p>	269,310
<p><u>Capital</u> Increase to committee depreciation charges due to upwards revaluation of council buildings and review of estimates for capital schemes.</p>	36,660
<p><u>Savings</u> A number of savings have been proposed across various budgets within the committee.</p>	-41,000
<p><u>Support Service Costs</u> There is a net decrease in support service costs charged to the committee following changes to various departmental cost allocations.</p>	-69,660

9 CONCLUSION

- 9.1 As mentioned in section 4.2 of the report and Section 3 of the Revised Estimate report, it was recognised earlier in the year that the council 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

	Original Estimate 2022/23 £	Adjusted Original Estimate 2022/23 £	Original Estimate 2023/24 £	Movement from Original to Adjusted Original Estimate 2022/23 £	Movement from Adjusted Original 2022/23 to Original Estimate 2023/24 £	Total Movement from Original 2022/23 to Original Estimate 2023/24 £
Net Expenditure	2,431,330	2,671,660	3,030,940	240,330	359,280	599,610
Movement in Earmarked Reserves	13,220	13,220	-142,820	0	-156,040	-156,040
Net after Movement in Earmarked Reserves	2,444,550	2,684,880	2,888,120	240,330	203,240	443,570

- 9.2 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.**

10 RISK ASSESSMENT

- 10.1 The approval of this report may have the following implications

- Resources: approval of the original budget for 2023/24 would see an increase in net expenditure of £599,610 compared with the original budget for 2022/23 or an increase of £443,570 after allowing for movements on earmarked reserves.
- 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

11 RECOMMENDED THAT COMMITTEE

- 11.1 Approve the revenue original estimate for 2023/24 and submit this to a special meeting of this committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF11-23/VT/AC
09 January 2023

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None