

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 23 JANUARY 2024

title: ORIGINAL REVENUE BUDGET 2024/25

submitted by: DIRECTOR OF RESOURCES

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1 PURPOSE

- 1.1 To agree the draft revenue budget for 2024/25, for consideration at Special Policy and Finance Committee.

2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

3 Year Budget Forecast

- 2.1 The Council's three-year budget forecast was presented to Policy and Finance Committee in September. At that time you will recall we were still awaiting the outcome of the long anticipated reforms to local government finances. Therefore predicting our budget forecast with any certainty continued to be extremely difficult.
- 2.2 Our forecast in September predicted the following budget gaps; £877k in 2024/25, £2.261m in 2025/26, £2.740m in 2026/27, after allowing for the use of general fund balances. The biggest factors affecting our forecast then were:
- Threat of losing New Homes Bonus.
 - Assumption that the 'One-off Funding Guarantee' was indeed a one-off for 2023/24.
 - What level interest rates and inflation would be over the life of the forecast.

Changes since the September forecast

- 2.3 The Government's Policy Statement on Local Government Finance was published on 5 December 2023. They announced that all councils would receive an increase in Core Spending Power next year of at least 3%. This will be achieved by continuing the One-Off Funding Guarantee where required. This increase in Core Spending Power will be before any decisions we make on the level of our council tax. Crucially, they also stated now was not the time for reforms to Local Government Finance as councils required stability and continuity.
- 2.4 They also announced:
- New Homes Bonus Allocations will continue for 2024/25
 - Rural Services Delivery Grant will continue for 2024/25
 - Revenue support grant (RSG) will increase in line with CPI with no negative RSG
 - Business Rates will not be reset and Business Rate Pooling will continue
 - A council tax referendum principle of up to 3% or £5 for district councils
- 2.5 The government asks authorities to continue to consider how they can use their reserves to maintain services over this and the next financial year, recognising that not all reserves can be reallocated, and that the ability to meet spending pressures from reserves will vary between authorities.

Provisional Local Government Finance Settlement

- 2.6 The Provisional Local Government Finance Settlement was published on Tuesday 19 December 2023. This sets out the detailed figures for all councils in terms of the government funding they will receive (subject to consultation) in 2024/25. Ribble Valley's provisional settlement is as follows:

Core Spending Power	Actual	Provisional Movement	
	2023-24	2024-25	
	£m	£m	£m
Settlement Funding Assessment	1.453665	1.508544	0.054879
<i>consists of:</i>			
Baseline Funding Level	1.405077	1.456737	0.051660
Revenue Support Grant	0.048588	0.051807	0.003219
Compensation for under-indexing the business rates multiplier	0.239342	0.294109	0.054767
Council Tax Requirement excluding parish precepts	4.139603	4.342947	0.203344
New Homes Bonus	0.506197	0.647509	0.141312
Rural Services Delivery Grant	0.126574	0.126574	0.000000
Services Grant	0.054777	0.008619	-0.046158
Funding Guarantee	0.773369	0.710563	-0.062806
Core Spending Power	7.293527	7.638865	0.345338

- 2.7 Ribble Valley's Core Spending Power is set to increase by 4.7% after assuming we increase our band d council tax charge by the maximum possible of £5. The overall average nationally is a 6.5% increase in Core Spending Power however districts average a 4.9% increase. This is mainly due to additional funding being put into children's and adult social care.
- 2.8 When comparing the Provisional Grant Settlement to our latest budget forecast we are £826k better off. This is due to the continuation of the New Homes Bonus for another year and also the Funding Guarantee being extended.
- 2.9 The announcements from the Government are clearly much better than we expected. This not only improves our financial position compared with our forecast for next year but also for potentially subsequent years. Given the fact there will be a General Election next year, it now appears unlikely that reforms will take place before the next Spending Review. Even then, whichever Government is elected, it would take some time to propose, consult and implement these substantial reforms.
- 2.10 The guidance from Policy and Finance Committee to service committees is to manage their services from within their existing budgets, finding savings to fund any growth items where possible. It is also recommended that fees and charges are increased on average by 4%.
- 2.11 At the special Policy and Finance Committee meeting on 13 February 2024 we will be in a position to determine the overall financial position after all service committees have met to consider their budgets and after updating the budget forecast to reflect our updated assumptions on government funding, inflation, interest rates etc.

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 You have previously approved the level of this committee's fees and charges for 2024/25. The consequential impact of these fees and charges have been incorporated in to the service budgets shown within this report.
- 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 2024/25 will also be approved.

4 2024/25 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 4%, price increases at 4% and income at 4%. The level of these increases will be kept under review during the budget preparation period and will be reviewed again at a final time in February in light of the very latest information. If necessary and agreed, a contingency for further increases (eg in pay awards) would be added to the budget at that stage.
- 4.2 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 cost 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.

4.3 As you will see, the draft proposed budget for 2024/25 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.

- **Original Estimate 2023/24:** 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 4%:** The budget forecast allows for inflation on pay at 4%, prices at 4% (with some exceptions such as grants) and income at 4% in line with the September budget forecast. This is where that general allowance for inflation is brought in to the individual budget areas.
- **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.
- **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 2024/25:** 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.

4.4 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2023/24 Original Estimate, to the DRAFT Original Estimate for 2024/25. 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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	1,141,610	45,670	-570	17,030	-11,330			1,192,410
Premises Related Expenditure	950	40		100				1,090
Transport Related Expenditure	27,960	1,120	-2,500	370				26,950
Supplies & Services	45,950	1,830	-3,780	90	7,040			51,130
Support Services	295,420	0				-6,440		288,980
Depreciation and Impairment	0	0					2,580	2,580
Total Expenditure	1,511,890	48,660	-6,850	17,590	-4,290	-6,440	2,580	1,563,140
Customer & Client Receipts	-8,120	-320						-8,440
Other Grants and Contributions	-9,630	0		-1,340	2,910			-8,060
Departmental Recharges	-1,494,140	0				-52,500		-1,546,640
Total Income	-1,511,890	-320	0	-1,340	2,910	-52,500	0	-1,563,140
Net Expenditure	0	48,340	-6,850	16,250	-1,380	-58,940	2,580	0
Associated Movement in Earmarked Reserves	0				-7,530			-7,530
Net After Earmarked Reserves	0	48,340	-6,850	16,250	-8,910	-58,940	2,580	-7,530

CEXEC: Chief Executives Department

Commentary on Substantial Budget Changes

Employee Related Expenditure

The unavoidable changes figure is largely movement of -£19k of budget across to the Health and Housing Committee where the direct employee costs for a post are now to be accounted for. This is partially offset by an increase of £4k to superannuation costs due to scheme membership changes and one-off training costs of £3k resulting from a capital scheme that is to upgrade the council's asset management system (met from earmarked reserves).

The variation to standard inflation includes an estimated increase to budgets of £22k for salary, national insurance and superannuation costs that is above standard inflation. This includes salary scale point changes within grades and inflation variances where the pay award was higher or lower than individual estimates for positions in the authorised establishment for this committee. Partially offset by a reduction of £5k for employee insurances following allocation of costs upon renewal of the insurance policy.

Transport Related Expenditure

A saving of -£2.5k has been proposed following review of the cost of mileage claims which are likely to be lower than the budget available.

Supplies & Services

Unavoidable changes are mainly £2.8k for the estimated cost of the Geographical Information Service (Mapzone) as this is now shared between departments and £4.4k for the year one software maintenance implications of the capital scheme to upgrade the council's asset management system (met from earmarked reserves). Proposed savings include -£2k in the areas of printing & stationery (following review of spend levels), and -£1k from the budget available for external legal advice (expected to reduce following recruitment of a lawyer into the department).

Support Services

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

Depreciation and Impairment

Annual depreciation charge for the updating mobile connectivity capital scheme.

Other Grants and Contributions

Reduction to legal fee estimated income mainly due to a reduction to the estimated number of S106 agreement completions.

Departmental Recharges

An increase to the estimated net cost of the department for the 2024/25 financial year has in turn increased the estimated recharges out to other service areas.

Associated movements in earmarked reserves

Release from earmarked reserves to support the year one revenue implications of an upgrade to the council's asset management system to a cloud based version (training and software maintenance).

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	17,870	720		370				18,960
Premises Related Expenditure	10	0						10
Transport Related Expenditure	8,640	350	-410	-640				7,940
Supplies & Services	25,000	990	-1,840		50			24,200
Support Services	20,630	0				-2,190		18,440
Total Expenditure	72,150	2,060	-2,250	-270	50	-2,190	0	69,550
Net Expenditure	72,150	2,060	-2,250	-270	50	-2,190	0	69,550

CIVCF: Civic Functions

Commentary on Substantial Budget Changes

Supplies and Services

Proposed savings for next year of -£1.3k to remove the 'mayoress at home' budget and -£540 from the drinks budget following review of historical spend.

Support Services

Net decrease 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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	12,620	510	-250	500				13,380
Premises Related Expenditure	40,040	1,600	-280	-4,620	-1,180			35,560
Supplies & Services	1,280	50		30				1,360
Support Services	10,260	0				410		10,670
Depreciation and Impairment	12,730	0					-3,530	9,200
Total Expenditure	76,930	2,160	-530	-4,090	-1,180	410	-3,530	70,170
Customer & Client Receipts	-4,770	-190						-4,960
Departmental Recharges	-72,160	0				6,950		-65,210
Total Income	-76,930	-190	0	0	0	6,950	0	-70,170
Net Expenditure	0	1,970	-530	-4,090	-1,180	7,360	-3,530	0

CIVST: Civic Suite

Commentary on substantial budget changes

Premises Related Expenditure

Reduction to gas (-£5k) and electricity (-£6k) budgets following review of unit costs and usage, mainly due to lower inflation levels than originally estimated for the 2023/24 financial year base budget. Increase of £4k above standard inflation for business rates at the Civic Suite following an increase to the rateable value of the property.

Depreciation and impairment

Reduction to the annual depreciation charge for the Civic Suite following downwards revaluation to the building for accounting purposes in 2023.

Departmental Recharges

A decrease to the estimated net cost of the Civic Suite for the 2024/25 financial year has in turn decreased 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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	64,480	2,580	-500	2,740	-990			68,310
Premises Related Expenditure	347,560	13,900		-107,830	22,230			275,860
Supplies & Services	11,520	450	-110	-200	1,780			13,440
Third Party Payments	950	40			-990			0
Support Services	26,310	0				1,050		27,360
Depreciation and Impairment	76,500	0					-1,990	74,510
Total Expenditure	527,320	16,970	-610	-105,290	22,030	1,050	-1,990	459,480
Customer & Client Receipts	-36,380	-1,460		-1,250				-39,090
Departmental Recharges	-496,940	0				76,550		-420,390
Total Income	-533,320	-1,460	0	-1,250	0	76,550	0	-459,480
Net Expenditure	-6,000	15,510	-610	-106,540	22,030	77,600	-1,990	0
Associated Movement in Earmarked Reserves	6,000							6,000
Net After Earmarked Reserves	0	15,510	-610	-106,540	22,030	77,600	-1,990	6,000

CLOFF: Council Offices

Commentary on Substantial Budget Changes

Employee Related Expenditure

The variation to standard budgeted inflation is an increase to the estimated cost of salary, national insurance and superannuation costs that are above standard inflation due to the higher than estimated 2023/24 pay award.

Premises Related Expenditure

Variation to standard budgeted inflation includes a £23k estimated increase to the cost of business rates following an increase to the rateable value of the council office premises. Unavoidable changes include an increase to premises insurance of £3k following renewal of the insurance premium. Other movements within these areas are mainly concerning reductions to draft gas and electricity budget estimates as shown below. Costs which were estimated during a time of extreme market volatility last financial year are now expected to be much lower, partially offset by a net increase due to changes to usage estimates (based on prior year averages).

	Variation to standard budgeted inflation £000	Unavoidable Changes (Usage) £000	TOTAL £000
Gas	-100	26	-75
Electricity	-31	-6	-37
TOTAL	-131	20	-112

Capital

Net reduction to estimated annual depreciation charges following review of capital schemes and the value of assets at the March 2023 revaluation.

Support Services

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

Customer and Client Receipts

Increase to the income generated for room hire at the council offices from an agreement that is reviewed annually in line with inflation.

Departmental Recharges

A decrease to the estimated net cost of the council offices for the 2024/25 financial year has in turn decreased 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, court costs and support services costs.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	93,360	3,730	-1,560	2,030	14,610			112,170
Transfer Payments	0	0			14,320			14,320
Support Services	460,640	0				32,840		493,480
Total Expenditure	554,000	3,730	-1,560	2,030	28,930	32,840	0	619,970
Customer & Client Receipts	-84,670	-3,390		40	1,080			-86,940
Other Grants and Contributions	-2,520	0						-2,520
Total Income	-87,190	-3,390	0	40	1,080	0	0	-89,460
Net Expenditure	466,810	340	-1,560	2,070	30,010	32,840	0	530,510

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 £3k, partially offset by a reduction to the estimated cost of an annual software maintenance contract. Proposed savings are -£1k reduction to the estimated annual cost of the Allpay facility and -£560 reduction to publications following review of requirements. The unavoidable change is mainly for the estimated cost of the Citizen's Access software module (£13k, to enable e-billing and approved by this Committee January 2023) and an increase of £2k in the estimated cost of applying the council tax family annexes discount.

Transfer Payments

The unavoidable movement is the estimated cost of applying the 50% Ukraine local council tax discount.

Support Services

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

Customer and Client Receipts

The unavoidable change is a decrease to income due to an estimated reduction in 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

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	124,380	4,970	-680	2,040	-260			130,450
Support Services	280,760	0				22,880		303,640
Depreciation and Impairment	31,880	0					20,080	51,960
Total Expenditure	437,020	4,970	-680	2,040	-260	22,880	20,080	486,050
Departmental Recharges	-437,020	0				-49,030		-486,050
Total Income	-437,020	0	0	0	0	-49,030	0	-486,050
Net Expenditure	0	4,970	-680	2,040	-260	-26,150	20,080	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 the cost of current contract renewals.

Support Services

Increase to support service costs charged to the Computer Section from the Resources Department of £25k, partially offset by a reduction in the cost of the council offices.

Capital

Estimated increase to the annual Computer Services depreciation charge following review of the progress of approved capital schemes and their expected useful economic lives upon completion.

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	5,610	220		-220	-5,610			0
Total Expenditure	5,610	220	0	-220	-5,610	0	0	0
Net Expenditure	5,610	220	0	-220	-5,610	0	0	0
Associated Movement in Earmarked Reserves	-5,610	0	0		5,610			0
Net After Earmarked Reserves	0	220	0	-220	0	0	0	0
CORON: Coronation of King Charles								
Commentary on Substantial Budget Changes								
One-off budget established for expenditures relating to the King's Coronation during the 2023/24 financial year and now removed from the base.								

5.8 **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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Support Services	419,620	0				8,840		428,460
Total Expenditure	419,620	0	0	0	0	8,840	0	428,460
Net Expenditure	419,620	0	0	0	0	8,840	0	428,460
CORPM: Corporate Management								
Commentary on Substantial Budget Changes								
<u>Support Services</u>								
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.								

5.9 **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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	7,410	290		770	320			8,790
Premises Related Expenditure	740	30		640				1,410
Supplies & Services	302,280	12,090	-3,050	4,220	6,030			321,570
Support Services	277,650	0				2,320		279,970
Depreciation and Impairment	19,770	0					1,690	21,460
Total Expenditure	607,850	12,410	-3,050	5,630	6,350	2,320	1,690	633,200
Net Expenditure	607,850	12,410	-3,050	5,630	6,350	2,320	1,690	633,200

COSDM: Cost of Democracy

Commentary on Substantial Budget Changes

Supplies and Services

Proposed savings are mainly a -£1.6k reduction to the equipment and materials budget and -£1k reduction to the general expenses cost centre following review of prior and current year expenditures and likely future requirements. Variation to standard inflation includes a £3.8k estimated increase to the members allowance budgets (linked to the 2023/24 officer pay award). The unavoidable changes to service costs figure includes a £4.9k increase to the special responsibility allowances budget (following review of the number of allowances payable) and a £1.1k increase to the budget available to pay for conferences due to an increase in the number of attendees at the Local Government Association conference.

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.

5.10 **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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	34,560	1,390		190	-4,140			32,000
Support Services	164,290	0				23,560		187,850
Total Expenditure	198,850	1,390	0	190	-4,140	23,560	0	219,850
Net Expenditure	198,850	1,390	0	190	-4,140	23,560	0	219,850

CSERV: Corporate Services

Commentary on Substantial Budget Changes

Supplies and Services

The cost of an annual software contract is being shared with the Resources department as both areas are now making use of the software following termination of a contract within the Resources department (-£4k).

Support Services

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

5.11 **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 2027.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	180,000	7,200			-187,200			0
Total Expenditure	180,000	7,200	0	0	-187,200	0	0	0
Net Expenditure	180,000	7,200	0	0	-187,200	0	0	0
Associated Movement in Earmarked Reserves	-130,000	-7,200			187,200			50,000
Net After Earmarked Reserves	50,000	0	0	0	0	0	0	50,000

DISTC: District Elections

Commentary on Substantial Budget Changes

Unavoidable changes are the removal of the budget that was brought into the base estimate to pay for the 2023/24 local elections. The £50k movement in reserve at draft Original Estimate represents the 2024/25 contribution to the elections earmarked reserve where funds are set aside on an annual basis to smooth out the cost of the next local elections.

5.12 **Cost Centre and Description**

ELADM: Election Administration

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

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	23,330	930			-24,260			0
Support Services	36,550	0				-2,460		34,090
Total Expenditure	59,880	930	0	0	-24,260	-2,460	0	34,090
Government Grants	-23,330	0			23,330			0
Total Income	-23,330	0	0	0	23,330	0	0	0
Net Expenditure	36,550	930	0	0	-930	-2,460	0	34,090

ELADM: Election Administration

Commentary on Substantial Budget Changes

Supplies & Services/ Government Grants

The original estimate for 2023/24 included £23k of expenditure under Supplies & Services and -£23k income under government grants. This was to account for new burdens grant income (and associated expenditures) that the council had been notified would be received during the 2023/24 financial year to help with the cost of introducing changes resulting from the Electoral Integrity Programme. As these budgets are non-recurring they have now been removed for the draft Original Estimate 2024/25.

Support Services

Net decrease in support service costs due to changes in cost allocations mainly from the Chief Executives department.

5.13 **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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	3,520	140		10				3,670
Supplies & Services	54,570	2,180	-2,550	1,840				56,040
Support Services	50,520	0				3,220		53,740
Total Expenditure	108,610	2,320	-2,550	1,850	0	3,220	0	113,450
Customer & Client Receipts	-1,530	-60						-1,590
Total Income	-1,530	-60	0	0	0	0	0	-1,590
Net Expenditure	107,080	2,260	-2,550	1,850	0	3,220	0	111,860

ELECT: Register of Electors

Commentary on Substantial Budget Changes

Supplies & Services

The variation to standard budgeted inflation and savings movements are both mainly adjustments to the draft postages budget. Potage costs have increased above standard inflation, but this increase is more than offset by the savings generated from canvass reform that has reduced the number of letters that are issued.

Support Services

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

5.14 **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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	4,450	180		140				4,770
Third Party Payments	970	40						1,010
Support Services	100,230	0				-7,470		92,760
Total Expenditure	105,650	220	0	140	0	-7,470	0	98,540
Net Expenditure	105,650	220	0	140	0	-7,470	0	98,540
EMERG: Community Safety								
Commentary on Substantial Budget Changes								
<u>Support Services</u>								
Net decrease in support service costs due to changes in cost allocations from the ICT, Community Services, Chief Executives, Resources and Economic Development and Planning 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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Premises Related Expenditure	22,330	900		3,120	-550			25,800
Supplies & Services	2,160	90		30				2,280
Support Services	59,720	0				-14,980		44,740
Depreciation and Impairment	71,420	0					5,220	76,640
Total Expenditure	155,630	990	0	3,150	-550	-14,980	5,220	149,460
Customer & Client Receipts	-46,590	-1,860		870	-25,560			-73,140
Miscellaneous Recharges	-70	0			0			-70
Total Income	-46,660	-1,860	0	870	-25,560	0	0	-73,210
Net Expenditure	108,970	-870	0	4,020	-26,110	-14,980	5,220	76,250

ESTAT: Estates

Commentary on Substantial Budget Changes

Premises related expenditure

The variation to standard inflation is a reduction to the cost of business rates liabilities falling under this cost centre following the lease of council owned property.

Support Services

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

Capital

Net increase to the estimated annual depreciation charge following reclassification and revaluation of assets and review of useful economic lives.

Customer and Client Receipts

Unavoidable changes of -£25.5k for additional income that is expected to be received following the lease of council owned buildings.

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 budget is largely for expenditures of grant support under the voluntary organisation and concurrent function grant schemes.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	14,580	580		-360				14,800
Transfer Payments	149,010	0						149,010
Support Services	17,520	0				5,800		23,320
Total Expenditure	181,110	580	0	-360	0	5,800	0	187,130
Net Expenditure	181,110	580	0	-360	0	5,800	0	187,130
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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	1,230	50						1,280
Premises Related Expenditure	700	30						730
Supplies & Services	224,830	8,990	-680	-3,840	20,000			249,300
Third Party Payments	0	0			2,690			2,690
Support Services	48,570	0				6,870		55,440
Total Expenditure	275,330	9,070	-680	-3,840	22,690	6,870	0	309,440
Interest	-320	-10						-330
Other Grants and Contributions	-20,000	0						-20,000
Total Income	-20,320	-10	0	0	0	0	0	-20,330
Net Expenditure	255,010	9,060	-680	-3,840	22,690	6,870	0	289,110
Associated Movement in Earmarked Reserves	-6,000	0			-16,000			-22,000
Net After Earmarked Reserves	249,010	9,060	-680	-3,840	6,690	6,870	0	267,110

FMISC: Policy & Finance Miscellaneous

Commentary on Substantial Budget Changes

Supplies & Services

The variation to standard inflation is mainly an adjustment to the estimated cost of annual audit fees for the next financial year.

Unavoidable changes are expenditure of £20k for additional costs above the interim annual desktop revaluation of assets because the five-yearly full revaluation is due (met from earmarked reserves).

Third Party Payments

A budget has been included for the estimated cost of the National Fraud Initiative exercise which is undertaken biennially and which is 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 unavoidable changes to service costs is a release from earmarked reserves of £20k for the estimated additional cost of the full revaluation of the council's assets. The full revaluation is undertaken every five years to inform values in the statement of accounts (with a desktop revaluation done annually).

This is partially offset by an increase of £4k to the annual contribution to the earmarked reserve towards future costs because the council is now also required to have a separate valuation done for insurance purposes (undertaken every three years with the next valuation being due in 2025/26).

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	1,290	50		-110				1,230
Supplies & Services	12,040	480		190	-2,390			10,320
Support Services	83,090	0				9,960		93,050
Total Expenditure	96,420	530	0	80	-2,390	9,960	0	104,600
Customer & Client Receipts	-73,820	-2,950			1,420			-75,350
Total Income	-73,820	-2,950	0	0	1,420	0	0	-75,350
Net Expenditure	22,600	-2,420	0	80	-970	9,960	0	29,250

LANDC: Land Charges**Commentary on Substantial Budget Changes****Supplies and Services**

Reduction to estimated expenditures to Lancashire County Council for the cost of undertaking searches of the land register following review of current and prior year costs.

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

The unavoidable changes figure is reduction to the estimated income received for recovery of costs when supplying information under Environmental Regulations (following review of prior year outturn and income received during the year).

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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	3,110	120			-330			2,900
Supplies & Services	26,590	1,060		350	-1,660			26,340
Support Services	176,760	0				21,390		198,150
Total Expenditure	206,460	1,180	0	350	-1,990	21,390	0	227,390
Government Grants	0	0						0
Customer & Client Receipts	-123,790	-4,950		3,560	-4,770			-129,950
Other Grants and Contributions	-2,860	0			-40			-2,900
Total Income	-126,650	-4,950	0	3,560	-4,810	0	0	-132,850
Net Expenditure	79,810	-3,770	0	3,910	-6,800	21,390	0	94,540

LICSE: Licensing

Commentary on Substantial Budget Changes

Supplies and Services

The council pays for taxi plates and brackets that are then sold on to taxi drivers at cost. As brackets are now being purchased without an expiry date they do not need to be replaced as often. Estimated reduction is shown as an unavoidable change in the table above.

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 mainly reversals of standard inflation to income budgets where the fees are set nationally and where the council has not been notified of any increases for the next financial year.

The unavoidable change reflects a net increase to various licensing income streams following review of demand levels. The movement includes increases to taxi licensing (-£1.8k) and premises licensing (-£4.6k) income estimates that are partially offset by a reduction to income from the resale of taxi plates and brackets at cost (£1k).

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

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Transfer Payments	13,970	0						13,970
Support Services	2,760	0				3,690		6,450
Total Expenditure	16,730	0	0	0	0	3,690	0	20,420
Net Expenditure	16,730	0	0	0	0	3,690	0	20,420
<p><u>Support Services</u> Net increase in support service costs due to changes in cost allocations mainly from the Economic Development and Planning Department.</p>								

5.21 **Cost Centre and Description**

NNDRC: National Non Domestic Rates

The administration and collection of national non-domestic rates

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	11,960	460	-170	-190	-150			11,910
Support Services	149,960	0				-9,230		140,730
Total Expenditure	161,920	460	-170	-190	-150	-9,230	0	152,640
Government Grants	-92,870	0			-3,840			-96,710
Customer & Client Receipts	-2,140	-90			-350			-2,580
Other Grants and Contributions	-170	0						-170
Total Income	-95,180	-90	0	0	-4,190	0	0	-99,460
Net Expenditure	66,740	370	-170	-190	-4,340	-9,230	0	53,180

NNDRC: National Non Domestic Rates

Commentary on Substantial Budget Changes

Support Services

Net decrease in support service costs due to changes in cost allocations mainly from the Resources Department.

Government Grants

The cost of collection allowance which provides billing authorities with income to help meet the cost of administering the rating system was higher than estimated during the 2023/24 financial year, increasing the estimated income for 2024/25.

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, Printing and Typing.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	2,220,450	88,830		52,670	8,350			2,370,300
Premises Related Expenditure	1,920	80		290				2,290
Transport Related Expenditure	25,760	1,040		-850				25,950
Supplies & Services	197,920	7,930	-1,650	12,610	10			216,820
Support Services	318,560	0				-19,030		299,530
Depreciation and Impairment	13,740	0					340	14,080
Total Expenditure	2,778,350	97,880	-1,650	64,720	8,360	-19,030	340	2,928,970
Customer & Client Receipts	-3,760	-160						-3,920
Other Grants and Contributions	-20	0						-20
Departmental Recharges	-2,749,470	0				-175,560		-2,925,030
Total Income	-2,753,250	-160	0	0	0	-175,560	0	-2,928,970
Net Expenditure	25,100	97,720	-1,650	64,720	8,360	-194,590	340	0
Associated Movement in Earmarked Reserves	-26,310				17,560			-8,750
Net After Earmarked Reserves	-1,210	97,720	-1,650	64,720	25,920	-194,590	340	-8,750

Employee Related Expenditure

Salary, National Insurance and Superannuation - Unavoidable changes of £14k for additional costs resulting from approved amendments to the authorised establishment listing (that sets out officer posts across departments). Other net increases of £56k are reported as changes to standard budgeted inflation following a full review of estimated costs. This movement includes salary scale point changes within grades and inflation variances where the 2023/24 pay award was higher or lower than individual estimates for positions within the authorised establishment for this department.

Indirect employee expenses - Increase of £4k to the estimated cost of the apprenticeship levy (linked to pay) and reduction of -£8k for the share of employee insurance expenditure allocated to this cost centre upon policy renewal. Unavoidable movement of -£7k for a reduction to the cost of Technology Forge IT system training as this is now to be shared with the Chief Executives and Community Services departments (following completion of the associated capital scheme).

Supplies and Services

Savings proposed from the photocopying budget where expenditure is lower than estimated (-£1.6k), likely due to continuing hybrid home/office working arrangements. The variation to standard budgeted inflation is mainly due to above inflationary increases to the estimated cost of the main telephone system (£2.5k) and software maintenance contracts (£9.4k).

Unavoidable movement of £2.8k for share of the cost of the Geographical Information Service (Mapzone) and -£2.6k under software maintenance (-£4k for movement of costs between departments, partially offset by £2k for the cost of a contract renewal for civica pay).

Support Services

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

Departmental Recharges

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

Associated Movement in Earmarked Reserves

The year one revenue implications of the capital scheme to upgrade the council's asset management system to a cloud based version is being funded from earmarked reserves, originally all under this budget heading. As the system is shared with the Community Services and Chief Executives Departments the costs (and associated movements in reserves) are to be shared - reduction of expenditure under this cost centre supported from reserves is £6k for training and £9k for software maintenance. The remainder is removal of reserve movement for funding of the HR onboarding software module that was completed as part of a capital scheme during the 2023/2024 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.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	3,900	160		100				4,160
Supplies & Services	700	30						730
Third Party Payments	95,200	3,810		2,670				101,680
Total Expenditure	99,800	4,000	0	2,770	0	0	0	106,570
Net Expenditure	99,800	4,000	0	2,770	0	0	0	106,570

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).

5.24 **Cost Centre and Description**

UKSPF: UK Shared Prosperity Fund

The UK Shared Prosperity Fund is part of the UK government's Levelling Up agenda and provides funding for local investment. The fund is focused on building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances in local places. Funding is provided for both revenue and capital expenditures. This cost centre is a revenue budget to account for grant income and expenditure for the administrative cost of managing the fund and for revenue projects.

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Supplies & Services	0	0			30,000			30,000
Support Services	0	0				50,050		50,050
Total Expenditure	0	0	0	0	30,000	50,050	0	80,050
Government Grants	0	0			-80,050			-80,050
Net Expenditure	0	0	0	0	-50,050	50,050	0	0

UKSPF: UK Shared Prosperity Fund

Commentary on Substantial Budget Changes

Supplies and Services

Movement to account for the estimated cost UKSPF **revenue** projects that were approved at the time of reviewing the budgets (Business support for net zero transition and decarbonisation).

Support Services

Allocation of officer departmental recharges for time spend administering the UKSPF 2024/25 grant allocation.

Government Grants

Allocation of **revenue** grant income from the UK Shared Prosperity Fund during the 2024/25 financial year, being £30k for expenditure on approved revenue projects to date as set out at 'supplies and services' and grant income for the cost of administering the scheme (being 4% of the 2024/25 estimated grant allocation to be received for capital and revenue projects (£1.25m)).

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	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
CEXEC: Chief Executives Department	0	48,340	-6,850	16,250	-1,380	-58,940	2,580	0
CIVCF: Civic Functions	72,150	2,060	-2,250	-270	50	-2,190		69,550
CIVST: Civic Suite	0	1,970	-530	-4,090	-1,180	7,360	-3,530	0
CLOFF: Council Offices	-6,000	15,510	-610	-106,540	22,030	77,600	-1,990	0
CLTAX: Council Tax	466,810	340	-1,560	2,070	30,010	32,840		530,510
COMPR: Computer Services	0	4,970	-680	2,040	-260	-26,150	20,080	0
CORON: Coronation of King Charles	5,610	220		-220	-5,610			0
CORPM: Corporate Management	419,620	0				8,840		428,460
COSDM: Cost of Democracy	607,850	12,410	-3,050	5,630	6,350	2,320	1,690	633,200
CSERV: Corporate services	198,850	1,390		190	-4,140	23,560		219,850

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

Cost Centre and Description	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
DISTC: District Elections	180,000	7,200			-187,200			0
ELADM: Election Administration	36,550	930			-930	-2,460		34,090
ELECT: Register of Electors	107,080	2,260	-2,550	1,850		3,220		111,860
EMERG: Community Safety	105,650	220		140		-7,470		98,540
ESTAT: Estates	108,970	-870		4,020	-26,110	-14,980	5,220	76,250
FGSUB: Grants & Subscriptions - Policy and Fin	181,110	580		-360		5,800		187,130
FMISC: Policy & Finance Miscellaneous	255,010	9,060	-680	-3,840	22,690	6,870		289,110
LANDC: Land Charges	22,600	-2,420		80	-970	9,960		29,250
LICSE: Licensing	79,810	-3,770		3,910	-6,800	21,390		94,540
LUNCH: Luncheon Clubs	16,730	0				3,690		20,420
NNDRC: National Non Domestic Rates	66,740	370	-170	-190	-4,340	-9,230		53,180

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

Cost Centre and Description	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
RESOR: Resources Department	25,100	97,720	-1,650	64,720	8,360	-194,590	340	0
SUPDF: Superannuation Deficiency Payments	99,800	4,000		2,770				106,570
UKSPF: UK Shared Prosperity Fund	0	0			-50,050	50,050		0
Grand Total	3,050,040	202,490	-20,580	-11,840	-199,480	-62,510	24,390	2,982,510
Associated Movement in Earmarked Reserves	-161,920	-7,200	0	0	186,840			17,720
Net After Earmarked Reserves	2,888,120	195,290	-20,580	-11,840	-12,640	-62,510	24,390	3,000,230

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2023/24	Inflation at 4% for Pay, Prices and Income	Savings	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2024/25
Employee Related Expenditure	3,657,490	146,320	-1,320	74,080	-191,180			3,685,390
Premises Related Expenditure	414,250	16,580	-280	-108,300	20,500			342,750
Transport Related Expenditure	62,360	2,510	-2,910	-1,120				60,840
Supplies & Services	1,217,070	48,630	-16,070	18,950	41,050			1,309,630
Third Party Payments	97,120	3,890		2,670	1,700			105,380
Transfer Payments	162,980	0			14,320			177,300
Support Services	2,999,820	0				131,080		3,130,900
Depreciation and Impairment	226,040	0					24,390	250,430
Total Expenditure	8,837,130	217,930	-20,580	-13,720	-113,610	131,080	24,390	9,062,620
Government Grants	-116,200	0			-60,560			-176,760
Other Grants and Contributions	-35,200	0		-1,340	2,870			-33,670
Customer & Client Receipts	-385,570	-15,430		3,220	-28,180			-425,960
Interest	-320	-10						-330
Departmental Recharges	-5,249,730	0				-193,590		-5,443,320
Miscellaneous Recharges	-70	0			0			-70
Total Income	-5,787,090	-15,440	0	1,880	-85,870	-193,590	0	-6,080,110
Net Expenditure	3,050,040	202,490	-20,580	-11,840	-199,480	-62,510	24,390	2,982,510
Associated Movement in Earmarked Reserves	-161,920	-7,200	0		186,840			17,720
Net After Earmarked Reserves	2,888,120	195,290	-20,580	-11,840	-12,640	-62,510	24,390	3,000,230

7 EARMARKED RESERVES

7.1 In the Original Estimate for 2023/24 this committee planned to take £161,920 from earmarked reserves to support its expenditure in future years. Looking forward to 2024/25, the proposal included in the estimates is that this committee add £17,720 to earmarked reserves.

7.2 The table below provides a summary of the DRAFT Original Estimate for 2024/25 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 2024/25	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	2,982,510	
FNBAL/H230 Election Fund	50,000	Reserve established from monies set aside on an annual basis to smooth out the cost of local elections. This earmarked reserve movement is the annual contribution that is to be set aside in the reserve towards the 2027 elections.
FNBAL/H269 Revaluation Reserve	-12,000	Reserve established from monies set aside on an annual basis to smooth out the cost of revaluations of the council's assets. During the 2024/25 financial year £20k is to be released from the earmarked reserve and £8k is to be added to the reserve.
FNBAL/H294 Cyber Resilience Reserve	-11,210	Release of grant funds held in reserve that are budgeted to be expended in 2024/25 on cyber resilience and recovery consultancy support and training.
FNBAL/H354 Community Right to Bid/ Right to Challenge Reserve	550	Net Movements in earmarked reserves to pay for this committee's share of the year one revenue costs of a capital scheme to upgrade the council's asset management system to a cloud based system (software maintenance and training)
FNBAL/H373 Custom and Self-Build Grants Reserve	-9,620	
Committee Net Cost of Services after Movements on Earmarked Reserves	3,000,230	

8 KEY VARIATIONS

8.1

The net expenditure for this committee has decreased by £67,530 but increased by £112,110 after allowing for associated movements on earmarked reserves. The main reasons for this net increase after earmarked reserves are summarised in the table below.

Description	Movement from Original Estimate 2023/24 to DRAFT Original Estimate 2024/25 £
<p><u>VARIOUS: Standard inflation</u> Net standard inflationary increase of 4% applied to the Policy and Finance Committee budgets.</p>	195,290
<p><u>Gas and Electricity</u> Decreases to gas (-£80k) and electricity (-£43k) estimates at the Council Offices and Civic Suite, mainly due to the lowering of unit costs that were estimated during the 2022/23 financial year during a time of extreme market volatility.</p>	-122,880
<p><u>Resources department direct employee costs</u> Net estimated increase to salary, national insurance and superannuation budgets above standard inflation of 4%. The inflated budget estimates have been adjusted to reflect salary scale point changes within grades, any approved changes to the establishment and the 2023/24 national pay award.</p>	71,350
<p><u>Support Service Costs</u> There is a net decrease in support service costs charged to this committee following changes to various departmental cost allocations.</p>	-62,510
<p><u>UK Shared Prosperity Fund (UKSPF)</u> Grant income of £50k to help with the cost of administering next year's UK Shared Prosperity Fund grant allocation. The draft revised budgets also account for revenue grant income and expenditure of £30k for UKSPF Business support for net zero transition and decarbonisation.</p>	-50,050
<p><u>Council Tax (CLTAX)</u> Increase to software maintenance costs of £13k for the Citizen's Access software module (to enable e-billing, approved by this committee in January 2023) and increase in expenditure of £14k for the estimated cost of applying the 50% Ukraine local council tax discount.</p>	27,160
<p><u>Estates (ESTAT)</u> Increase in estimated rental income following lease of council properties.</p>	-25,500

Description	Movement from Original Estimate 2023/24 to DRAFT Original Estimate 2024/25 £
<u>Capital</u> Increase to committee depreciation charges due to upwards revaluation of council buildings and review of estimates for capital schemes.	24,390
<u>Business Rates Liability</u> Increase above inflation to the annual cost of business rates at the Civic Suite (£3.8k) and Council Offices (£23.3k) due to an increase in the rateable value of the premises, partially offset by a reduction in liability in other areas following the lease of council owned property (-£5k).	22,570
<u>Savings</u> A number of savings have been proposed across various budgets within the committee.	-20,580

9 CONCLUSION

9.1 The difference between the Proposed Original Estimate 2024/25 and Original Estimate 2023/24 is a a reduction in net expenditure of £67,530 but is an increase in net expenditure of £112,110 after allowing for transfers to and from earmarked reserves.

10 RISK ASSESSMENT

10.1 The approval of this report may have the following implications

- Resources: The total movement from the Original Estimate 2023/24 to the Original Estimate 2024/25 is a reduction in net expenditure of £67,530 before movements in earmarked reserves, or an increase in net expenditure £112,110 after movements in 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 provision of all Council services.

11 RECOMMENDED THAT COMMITTEE

- 11.1 Approve the revenue original estimate for 2024/25 and submit this to the Special Policy and Finance Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES
AND DEPUTY CHIEF EXECUTIVE

PF2-24/VT/AC
15 January 2024

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None