

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ECONOMIC DEVELOPMENT COMMITTEE

Agenda Item No 6

meeting date: 1 FEBRUARY 2018
title: REVISED REVENUE BUDGET 2017/18
submitted by: DIRECTOR OF RESOURCES
principal author: AMY JOHNSON

1 PURPOSE

- 1.1 To agree a revised revenue budget for 2017/18 for this committee.

2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2017.
- 2.2 As members will be aware, there can be numerous variations to the budget that come to our attention as the year progresses, particularly through the budget monitoring process.
- 2.3 At this time of year we revise the estimates for the current financial year in order to predict the likely outturn. In essence the Revised Estimate is the council's latest forecast for the outturn on the current financial year's budget. This also assists us in preparing the original estimate for the coming financial year.

3 REVISING THE ORIGINAL ESTIMATE

- 3.1 Since the budget was originally set we now have the benefit of information from the outturn position for 2016/17 and the variances that were experienced in that financial year. Furthermore, as we have been monitoring our budgets during the year we can also use this information to inform the revised budget process.
- 3.2 The 2017/18 budget included provision for pay at 1.1% and price increases of 1.5%.
- 3.3 Whilst our committee income and expenditure may increase or decrease at the revised estimate items such as our budgeted core government funding and our council tax precept remain fixed. As a result, any compensating movement is within our earmarked reserves and general fund balances.
- 3.4 In addition to the use of data on past performance there have been detailed discussions with budget holders and heads of service on past service provision and future plans, playing an integral part in the budget setting process.
- 3.5 Furthermore, decisions and actions required as a result of committee meetings are incorporated in to the budget setting process, whilst financial implications would likely have already been identified as part of any committee decision.

3.6 As part of the setting of the revised estimate, this report is now presented to committee to seek comment and approval. Once approved by this committee, the revised estimate will be reported to Special Policy and Finance Committee.

3.7 The proposed revised estimate for this committee is now presented in the following section, with details of the movements that effect this revision being detailed at Annex 1. There are also details of the current actual position as at the end of December against the profiled Original Estimate and alongside the proposed Revised Estimate at Annex 2.

4 PROPOSED REVISED REVENUE BUDGET 2017/18

4.1 A comparison between the original and revised budgets for each cost centre is shown below.

Cost Centre and Description	Original Estimate 2017/18	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2017/18
ALBNM: Albion Mill	1,000	490	5,760	-580		6,670
INDDV: Economic Development	106,510	-460		22,760		128,810
TURSM: Tourism and Events	107,100	23,290	-25,920	-5,990		98,480
Grand Total	214,610	23,320	-20,160	16,190		233,960

4.2 The difference between the revised and original estimate is an increase in net expenditure of £19,350.

5 KEY MOVEMENTS FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE

5.1 Within the proposed Revised Estimate there are a number of substantial movements, and these are summarised in the table below. A more detailed analysis of the movements is provided at Annex 1.

Description	Variance Original Estimate 2017/18 to DRAFT Revised Estimate 2017/18
<p>ALBNM: Albion Mill Reduction in rental income due to a new tenant being offered a 50% reduction in rent payable within the first year of tenancy.</p>	5,760
<p>INDDV: Economic Development Increased support service costs due to 50% of the expenditure incurred within the new Planning and Economic Development Department (which falls under Planning and Development Committee) being recharged to Economic Development.</p>	17,900
<p>TURSM: Tourism and Events Printing costs relating to the production of the 2018 Visitor Guide. Fully offset by income to be received (see below).</p>	17,400
<p>TURSM: Tourism and Events Income to be generated from the sale of advertising in the 2018 Visitor Guide.</p>	-22,300

6 CONCLUSION

6.1 The difference between the revised and original estimate is an increase in net expenditure of £19,350.

7 RISK ASSESSMENT

7.1 The approval of this report may have the following implications

- Resources: approval of the revised estimate would see an increase in net expenditure of £19,350.
- 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.

8 RECOMMENDED THAT COMMITTEE

- 8.1 Agree the revenue revised estimate for 2017/18.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

ED1-18/AJ/AC

18 January 2018

For further background information please ask for Amy Johnson

BACKGROUND PAPERS - None

**COMMUNITY SERVICES COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2017/18**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
<i>ALBNM: Albion Mill</i>					
Reduction in rental income to be received due to one tenant being offered a 50% reduction on rental due for the first year of tenancy. This was due to difficulties in finding a suitable tenant.		5,760			
Total Albion Mill					5,760
<i>INDDV: Economic Development</i>					
Increased support services recharges, mainly from Chief Executive's Department due to a reassessment of time allocations. Also the introduction of a recharge from the new Planning and Economic Development Department (£17,900).				22,760	
Total Economic Development					22,760
<i>TURSM: Tourism and Events</i>					
Temporary staff have been employed to help administer the production of the Visitor Guide 2018. Expenditure is offset in full by the income that will be generated.	2,230				

**COMMUNITY SERVICES COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2017/18**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
The Visitor Guide was previously outsourced to a design company who oversaw the sale of advertising and printing of the guide. The Council received a share of the profit. Sales and production of the 2018 Guide is to be carried out in house. This is the estimated printing cost of the Guide.	17,400				
Reduced support services recharges, mainly from Community Services Department and Chief Executive's Department due to a reassessment of time allocations.				-5,990	
Additional income to be generated from the sale of advertising in the 2018 Visitor Guide. The budget previously allowed for a share of profit generated.		-22,300			
Total Tourism and Events					-8,660
Other					-510
Sub-Total					19,350
Total Movement					19,350

ACTUAL TO DATE WITH ORIGINAL ESTIMATE AND PROPOSED REVISED ESTIMATE

Cost Centre	Description	Original Estimate to End December	Actual and Commitments to End December	Full Year Original Estimate	Proposed Revised Estimate
ALBNM	Albion Mill	5,094	14,790	1,000	6,670
INDDV	Economic Development	16,391	6,596	106,510	128,810
TURSM	Tourism & Events	28,220	27,163	107,100	98,480
Committee Total		49,705	48,549	214,610	233,960