

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No 7

meeting date: 10 JANUARY 2019
title: REVISED REVENUE BUDGET 2018/19
submitted by: DIRECTOR OF RESOURCES
principal author: VALERIE TAYLOR

1 PURPOSE

- 1.1 To agree a revised revenue budget for 2018/19 for this committee.

2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2018.
- 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.
- 2.4 At the time that the Original Estimate 2018/19 was set, the new Economic Development and Planning Department included only the new director's post, with all other departmental staff included under the previous departmental structure that was in place at that time.
- 2.5 Since then, the costs have been reallocated across the various departments, which are spread across the council's committee structure. This reallocation of costs across the new departmental structure was **cost neutral** and largely impacts the main departmental cost centres, but also impacts on individual services through the support service allocations.

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 2017/18 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 original budget for 2018/19 initially allowed 2% for both pay and price increases.
- 3.3 After the detailed estimates had been prepared the national pay award was settled which increased the paybill nationally by 2.707% in 2018/19 and 2.802% in 2019/20 with substantial increases to the lower payscales.
- 3.4 This was obviously significantly higher than the 2% allowed for in the committee estimates and therefore we added a contingency to the budget of £75,000 in respect of the potential pay increases above 2%.

- 3.5 The general provision for price increases has proved reasonably accurate. The impact of the pay award for the Council is estimated to be approximately £45,000 over and above the 2% budgeted for. The balance on the contingency will be released to general fund balances.
- 3.6 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.
- 3.7 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.
- 3.8 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.
- 3.9 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.
- 3.10 The proposed revised estimate for this committee is now presented in the following section,
- 4 PROPOSED REVISED REVENUE BUDGET 2018/19
- 4.1 A comparison between the original and revised budgets for each cost centre is shown below, together with the associated movements in earmarked reserves.

Cost Centre and Description	Original Estimate 2018/19	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2018/19
AONBS: Area of Outstanding Natural Beauty	16,010	-240		-190		15,580
BCFEE: Building Control Fee Earning	-15,020	450	20,000	9,760		15,190
BCNON: Building Control Non Fee Earning	58,590	-500		11,110		69,200
BCSAP: Building Control SAP Fees	-120	-1,090	2,090	-1,290		-410
CINTR: Clitheroe Integrated Transport Scheme	7,250	-50		20		7,220
CONSV: Conservation Areas	9,140			-450		8,690
COUNT: Countryside Management	53,130	-11,280	8,910	2,440		53,200

Cost Centre and Description	Original Estimate 2018/19	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2018/19
ECDEV: Economic Development & Planning Dept Set Up	0	9,670				9,670
ECPLA: Economic Development and Planning Dept	0	-25,210		25,210		0
FPATH: Footpaths & Bridleways	5,850	-1,930	1,620	-5,540		0
LDEVE: Local Development Scheme	93,850	3,990		13,340		111,180
PENDU: Pendle Hill User Group	0	15,750	-190			15,560
PLANG: Planning Control & Enforcement	119,460	29,050	-82,800	-52,130	-7,140	6,440
PLANP: Planning Policy	105,520	10,300	-20,000	-2,470		93,350
PLSUB: Grants & Subscriptions - Planning	7,880					7,880
Grand Total	461,540	28,910	-70,370	-190	-7,140	412,750
Associated Movements in Earmarked Reserves						
PLBAL/H336: Planning Earmarked Reserve	-19,160	-26,520				-45,680
PLBAL/H284: Neighbourhood Planning Reserve			9,710			9,710
PLBAL/H234 Building Regulation Reserve	15,020	-10,210	-20,000			-15,190
PLBAL/H273: Pendle Hill User Reserve	0	-15,750	190			-15,560
FNBAL/H334: Restructuring Reserve		-9,670				-9,670
Net After Movement in Earmarked Reserve	457,400	-33,240	-80,470	-190	-7,140	336,360

4.2 The difference between the revised and original estimate is a decrease in net expenditure of £48,790 or a decrease in net expenditure of £121,040 after allowing for movement in earmarked reserves.

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 2018/19 to DRAFT Revised Estimate 2018/19
<p><u>BCFEE: Building Control Fee Earning Account</u> Income to date is lower than estimated for 2018/19 due to a lower number of large commercial applications. The income estimate is based on actual income received at the date of review plus an estimate for the remainder of the year based on prior year brought forward.</p> <p>The service is forecast to make an overall net loss, which will be met from the Building Control earmarked reserve. Corporate Management Team will be looking further at the deficit position on the service over coming months.</p>	20,000
<p><u>PENDU: Pendle Hill User Group</u> The council holds an earmarked reserve on behalf of the AONB and Pendle Hill Landscape Partnership.</p> <p>A large invoice has been paid on their behalf in year, and funded from the earmarked reserve. There has also been a small contribution received in year.</p>	15,560
<p><u>PLANG: Planning Control & Enforcement</u> Spend on consultants in respect of planning appeals year to date is higher than that estimated. This increase in expenditure over the original estimate will be funded from the planning earmarked reserve</p>	22,530
<p><u>PLANG: Planning Control & Enforcement</u> The planning fee estimate has been increased for the year based on planning applications received to date. Pre-application fees have been increased following this committee's decision on 1st November 2018 to fund an increase in the hours worked of the Pre-Application Advice Officer from 22.5 hours to 37 hours per week.</p>	-82,150
<p><u>PLANP: Planning Policy</u> Following approval of the Longridge Neighbourhood Plan to proceed to referendum this financial year a grant of £20k will be available to the council (Plannning and Development Committee 29 November 2018). Any balance of unspent grant in year will be set aside in earmarked reserves to meet any future Neighbourhood Plan costs.</p>	-20,000

6 CONCLUSION

6.1 The difference between the revised and original estimate is a decrease in net expenditure of £116,010 after allowing for transfers to and from earmarked reserves.

7 RISK ASSESSMENT

7.1 The approval of this report may have the following implications

- Resources: approval of the revised estimate would see a decrease in net expenditure of £116,010 after allowing for transfers to and from 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.

8 RECOMMENDED THAT COMMITTEE

8.1 Agree the revenue revised estimate for 2018/19.

TEMPORARY SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD2-19/VT/AC

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
AONBS: Area of Outstanding Natural Beauty					
There has been a small adjustment to the budget for our contribution to the AONB Organisation, in order to match that which is requested annually. There has also been a small adjustment to support services.	-240		-190		
Total Area of Outstanding Natural Beauty					-430
BCSAP: Building Control SAP Fees					
A reduction in the number of surveys being carried out reduces employee related expenditure in this area	-1,090				
Support service costs are allocated based on staff time. A reduction to the number of surveys being undertaken reduces charges to this cost centre			-1,290		
Actual income for the year to date at the time of review is lower than budgeted for due to a reduction in the number of surveys being carried out		2,090			
Total Building Control SAP Fees					-290
BCFEE: Building Control Fee Earning Account					
Support service departmental recharges have been reviewed for the Revised Estimate 2018/19 following a review of staff time allocations and the departmental restructure increasing the recharge costs in this area			9,760		

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Income to date is lower than estimated for 2018/19 due to a lower number of large commercial applications. The income estimate is based on actual income received at the date of review plus an estimate for the remainder of the year based on prior year brought forward		20,000			
Total Building Control Fee Earning A/c					29,760
BCNON: Building Control Non Fee Earning Account					
Support service departmental recharges have been reviewed for the Revised Estimate 2018/19 following a review of staff time allocations and the departmental restructure increasing the recharge costs in this area			11,110		
Total Building Control Non Fee Earning A/c					11,110
COUNT: Countryside Management					
Emergency Tree Works were previously charged to this cost centre and then some of these costs were recharged out to other services. This budget has now been removed so that it sits on the service code that is having the work carried out - and the costs are being charged directly to that same code. The income from any recharges out for this work has also been netted off.	-11,280	8,910			
Support service departmental recharges have been reviewed for the Revised Estimate 2018/19 following a review of staff time allocations and the departmental restructure increasing the recharge costs in this area			2,440		
Total Countryside Management					70

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
CONSV: Conservation Areas					
There has been a small adjustment to the level of support services recharged to this service area.			-450		
Total Conservation Areas					-450
ECDEV: Planning & Economic Development Department					
Cost of recruitment for new Director of Economic Development & Planning to be funded from the restructuring reserve	1,980				
Purchase of equipment and materials set up costs to establish the new post of Director of Economic Development & Planning. To be funded from the restructuring reserve	7,690				
Total Planning & Economic Development Department					9,670
FPATH: Footpaths and Bridleways					
The council previously provided assistance in footpaths and diversion orders. The costs were for officer time involved in undertaking this work and also the costs of advertising footpath diversion orders. These advertising costs were previously recovered from those requesting the order in full. This service now fully falls under LCC and therefore the budget has now been removed	-1,930	1,620	-5,540		
Total Footpaths and Bridleways					-5,850

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
ECPLA: Economic Development and Planning Dept					
Adjustment to reduce the base salary estimate for the new department following review of actual expenditure to date	-17,300				
Adjustment to reduce the superannuation estimate for the new department following part year review of employee membership in the scheme	-1,780				
The original estimate for lease car costs was increased to incorporate changes to the establishment following the restructure. Upon review at revised estimate these costs are not to be incurred in the current financial year.	-5,750				
Adjustment to anticipated photocopying charges for 2018/19 following an analysis of current year expenditure which is below original estimate	-1,660				
Support service departmental recharges have been reviewed for the Revised Estimate 2018/19 following a review of staff time allocations and the departmental restructure decreasing the recharge costs in this area			-29,160		
A decrease to the net cost of the department overall as a result of the reasons listed above decreases recharges out to other service areas			54,370		
Total: Economic Development and Planning Department					-1,280

**PLANNING AND DEVELOPMENT COMMITTEE
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ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
PENDU: Pendle Hill User Group					
The council hold resources in its earmarked reserves on behalf of the AONB and Pendle Hill Landscape Partnership. A large invoice has been paid on their behalf in year, and funded from the earmarked reserves where these funds are held. There has also been a small contribution to these funds received in year.	15,750	-190			
Total Pendle Hill User Group					15,560
PLANG: Planning Control & Enforcement					
The value of planning fee refunds at the date of budget review is higher than that originally estimated	6,010				
Spend on consultants in respect of planning appeals year to date is higher than that estimated. Expenditure over the original estimate will be funded from the planning earmarked reserve	22,530				
Expenditure on statutory notices above that estimated	2,150				
Current year spend on local plan costs lower than originally estimated	-1,580				

**PLANNING AND DEVELOPMENT COMMITTEE
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ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Support service departmental recharges have been reviewed for the Revised Estimate 2018/19 following a review of staff time allocations and the departmental restructure decreasing the recharge costs in this area			-52,130		
Decrease in annual depreciation charge in respect of past software that is now fully depreciated.				-7,140	
The planning fee estimate has been increased for the year based on a three year full year average. The revised estimate includes inflation of 20% to incorporate the increase to planning fees which was introduced in January 2018		-74,910			
Increase to pre-application advice fees based on analysis of income received at the point of review plus an average of prior three years brought forward for the remaining estimate		-7,240			
Total Planning Control & Enforcement					-112,310

**PLANNING AND DEVELOPMENT COMMITTEE
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ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
LDEVE: Local Development Scheme					
<p>Based on a reassessment of costs that are likely to fall in the current financial year in relation to the Local Development Scheme, there is likely to be a net increase in what will be spent by the end of March 2019. Anticipated spend is now £2,400 on consultations, £750 consultant costs and £20,000 in relation to final inspection costs. In the original estimate a total of £19,160 had been allowed for.</p> <p>All of these costs are met from the planning earmarked reserve using resources that have previously been set aside for this purpose.</p>	3,990				
<p>Support service departmental recharges have been reviewed for the Revised Estimate 2018/19 following a review of staff time allocations and the departmental restructure increasing the recharge costs in this area.</p> <p>Unlike the costs listed above, any movements in relation to support service costs are not met from the earmarked reserve.</p>			13,340		
Total Local Development Scheme					17,330

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
PLANP: Planning Policy					
Budget brought in at revised estimate for expenditure to date on an independent examination of the Longridge Neighbourhood Plan	5,300				
Support service departmental recharges have been reviewed for RE1819 following a review of staff time allocations and the departmental restructure decreasing costs in this area			-2,470		
Estimated costs of the Longridge Neighbourhood Plan referendum which following P&D Committee approval on 29th November 2018 will take place during the 2018/19 financial year	5,000				
Following approval of the Longridge Neighbourhood Plan to proceed to referendum this financial year a grant of £20k will be available to the council (P&D Committee 29th November 2018)		-20,000			
Total Planning Policy					-12,170
Other	1,120	-650	20		490
Sub-total	28,910	-70,370	-190	-7,140	-48,790

**PLANNING AND DEVELOPMENT COMMITTEE
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ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
MOVEMENT IN EARMARKED RESERVES					
PLBAL/H336 Planning Reserve					
Spend on consultants in respect of planning appeals is higher than that estimated. Expenditure over the original estimate will be funded from the planning earmarked reserve (£22,530)	-26,520				-26,520
Further movements relate to the additional need for resources from the reserve towards the Local Development Scheme. These funds have been previously set aside for this purpose (£3,990)					
PLBAL/H234 Building Regulation Reserve					
Balancing figures to be funded from the building control earmarked reserve following revised estimate review. Expenditure movement is mainly due to an increase of charges in from other sections following the restructure and a review of time allocations. Expected income for the year has been revised down following an analysis of actual income received at the date of review plus an estimate based on prior year actuals.	-10,210	-20,000			-30,210

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ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
PLBAL/H273 Pendle Hill User Reserve					
The council hold resources in its earmarked reserves on behalf of the AONB and Pendle Hill Landscape Partnership. A large invoice has been paid on their behalf in year, and funded from the earmarked reserves where these funds are held. There has also been a small contribution to these funds received in year.	-15,750	190			-15,560
FNBAL/H334 Restructuring Reserve					
Set up costs to establish the new Director of Economic Development and Planning post to be fully funded from the restructuring reserve	-9,670				-9,670
PLBAL/H284 Neighbourhood Planning Reserve					
Contribution to reserve being the residual estimated balance of the £20k grant receivable in respect of Longridge Neighbourhood Plan less associated estimated expenditures		9,710			9,710
Total Movement in Earmarked Reserves	-62,150	-10,100	0	0	-72,250
Total Movement	-33,240	-80,470	-190	-7,140	-121,040

ACTUAL TO DATE WITH ORIGINAL ESTIMATE AND PROPOSED REVISED ESTIMATE

Cost Centre	Description	Original Estimate to End November	Actual and Commitments to end November	Full Year Original Estimate	Proposed Revised Estimate
AONBS	Area of Outstanding Natural Beauty	7,040	0	16,010	15,580
BCFEE	Building Control Fee Earning A/c	-109,026	-103,869	-15,020	15,190
BCNON	Building Control Non Fee Earning A/c	5,456	4,913	58,590	69,200
BCSAP	Building Control SAP Fees	-940	-298	-120	-410
CINTR	Clitheroe Integrated Transport Scheme	5,250	5,200	7,250	7,220
CONSV	Conservation Areas	0	0	9,140	8,690
COUNT	Countryside Management	25,433	13,520	53,130	53,200
ECDEV	Economic Development & Planning Dept Set Up	0	9,670	0	9,670
ECPLA	Economic Development & Planning Dept	345,362	315,267	0	0
FPATH	Footpaths & Bridleways	208	0	5,850	0
LDEVE	Local Development Scheme	0	1,950	93,850	111,180
PENDU	Pendle Hill User Group	0	15,559	0	15,560
PLANG	Planning Control & Enforcement	-384,590	-424,029	119,460	6,440
PLANP	Planning Policy	0	5,295	105,520	93,350
PLSUB	Grants & Subscriptions-Planning	3,940	3,938	7,880	7,880
Committee Subtotal		-101,867	-152,884	461,540	412,750
Earmarked Reserves					
PLBAL/H234	Building Regulation Reserve	15,020	103,869	15,020	-15,190
PLBAL/H336	Planning Reserve	0	-22,676	-19,160	-45,680
PLBAL/H273	Pendle Hill User Reserve	0	-15,559	0	-15,560
FNBAL/H334	Restructuring Reserve	0	-9,669	0	-9,670
PLBAL/H284	Neighbourhood Planning Reserve	0	-5,295	0	9,710
Subtotal Earmarked Reserves		15,020	50,670	-4,140	-76,390
Total		-86,847	-102,214	457,400	336,360