

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item 10

meeting date: 12 JANUARY 2017  
title: REVISED REVENUE BUDGET 2016/17  
submitted by: DIRECTOR OF RESOURCES  
principal author: TRUDY HOLDERNESS

### 1 PURPOSE

- 1.1 To agree a revised revenue budget for 2016/17 for this committee.

### 2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2016.

- 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 2015/16 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 2016/17 budget included provision for pay and price increases of 1.5%. Overall general inflation for the year has been slightly less than this and the overall pay award was settled at 1% although some lower pay scales were increased by a higher amount.

- 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 2016/17
- 4.1 The revised budget is £59,700 lower than the original estimate. This is reduced to £8,740 after movements on earmarked reserves. A comparison between the original and revised budgets for each cost centre is shown below.

Cost Centre and Description	Original Estimate 2016/17	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2016/17
AONBS: Area of Outstanding Natural Beauty	15,650	-100		570		16,120
BCSAP: Building Control SAP Fees	-2,480	-1,000	3,360	-180		-300
CINTR: Clitheroe Integrated Transport Scheme	6,410	-100	100	810		7,220
COMMG: Community Groups	22,830			20,000		42,830
CONSV: Conservation Areas	16,000			-2,840		13,160
COUNT: Countryside Management	46,190		770	740		47,700
FPATH: Footpaths & Bridleways	6,850			-50		6,800
LDEVE: Local Development Scheme	40,040	1,180		20		41,240
PENDU: Pendle Hill User Group	0	-200				-200
PLANG: Planning Control & Enforcement	159,670	12,830	-8,570	-15,250		148,680
PLANP: Planning Policy	161,810	5,000		-2,240		164,570
PLSUB: Grants & Subscriptions - Planning	10,530	-6,570		-460		3,500
BCFEE: Building Control	8,060	14,680	-37,020	-38,430		-52,710
BCNON: Building Control	60,710	3,020	-110	-9,660		53,960
<b>Grand Total</b>	<b>552,270</b>	<b>28,740</b>	<b>-41,470</b>	<b>-46,970</b>		<b>492,570</b>

## 5 EARMARKED RESERVES

5.1 Reserves are important to local authorities as, unlike central government, we cannot borrow money over the medium-term, other than for investment in assets, and we are required to balance our budgets on an annual basis.

5.2 Reserves can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- a contingency to cushion the impact of unexpected events or emergencies. This also forms part of general reserves;
- a means of building up funds, this is done through our earmarked reserves to meet known or predicted requirements; our earmarked reserves are accounted for separately but remain legally part of the General Fund.

5.3 The table below provides a summary of the proposed Revised Estimate for 2016/17 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

	Original Estimate 2016/17	Proposed Revised Estimate 2016/17	Reason for Movement on Earmarked Reserve
<b>Committee Net Cost of Services</b>	<b>552,270</b>	<b>492,570</b>	
PLBAL/H336: Planning Reserve Earmarked Reserve	-36,000	-16,650	To cover the cost of the Local Development Scheme, resources were identified from two reserves, these were the Planning earmarked reserve and the Core Strategy earmarked reserve. Having completed the first consultation stage, resources are now focused on the analysis and review of responses, resulting in a small increase in the contribution needed from the reserves
PLBAL/H358: Core Strategy Earmarked Reserve	0	-20,530	The Planning Reserve was established from surplus planning fee income. Its purpose is to fund future potential planning issues.  The Core Strategy Reserve was established to fund the cost of production of the Core strategy. Once this had been produced and approved by the planning inspectorate and adopted by the council the remaining funds were earmarked for developing a local development plan.

	Original Estimate 2016/17	Proposed Revised Estimate 2016/17	Reason for Movement on Earmarked Reserve
PLBAL/H336: Planning Reserve Earmarked Reserve	0	-3,830	<p>The reserve was established from surplus planning fee income. Its purpose is to fund future potential planning issues.</p> <p>A base estimate is provided for funding of planning appeals and consultancy on planning issues. The increase in the contribution represents the amount over the base budget needed to cover the additional cost.</p>
PLBAL/H234: Building Regulation Earmarked reserve	-8,060	52,710	<p>Any surplus or deficit on the ringfenced fee-earning element of the Building Control service must be set aside in an earmarked reserve. Any surplus can then be used in future years/off-set against past deficits – or likewise any deficit must then be recovered in future years/off-set against past surpluses.</p> <p>Initially resources were needed to cover the estimated deficit on the Building Control Fee Earning account but after reassessing the estimates for the service additional income from building regulation fees, reduced support costs offset by additional consultancy fee have resulted in a surplus. This is then added to the earmarked reserve.</p>
PLBAL/H273: Pendle Hill User Reserve	0	200	<p>This reserve was established from contributions from users to fund the upkeep of Pendle Hill.</p> <p>Due to an outstanding creditor brought forward from 2015/16, resources need to be added back to the earmarked reserve.</p>
PLBAL/H284: Neighbourhood Planning Reserve.	0	-5,000	<p>On submission of a neighbourhood plan, the council receives a contribution from the DCLG to further the plan. These contributions have been set aside in an earmarked marked reserve for this purpose.</p> <p>Potentially a neighbourhood referendum for Bolton By Bowland and Gisburn Forest Parish Council is required. The cost of which is met from the earmarked reserve established for this purpose.</p>
<b>Committee Net Cost of Services after Movements on Earmarked Reserves</b>	<b>508,210</b>	<b>499,470</b>	

6 KEY MOVEMENTS FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE

6.1 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 2016/17 to DRAFT Revised Estimate 2016/17
<b><u>BCAP: Building Control SAP fees</u></b> Reduced income from SAP fees due to accredited surveyor spending less time carrying out inspections	3,360
<b><u>BCFEE: Building Control Fee earning account</u></b> Due to staff turnover, consultants are being employed to carry out some of the functions of a building surveyor	16,160
Increase in income mainly from review of outstanding completions	-37,020
<b><u>PLANG: Planning Control &amp; Enforcement</u></b> Provision for the purchase of Equipment, funded from a Home & Community Agency Grant received in 2015/16	7,070
Increase in consultancy provision to cover appeal costs and other planning issues, expenditure above base budget met from earmarked reserve.	3,830
Increase in Income from planning fees offset by a reduction in income from pre application advice.	-8,570
<b><u>PLANP: Planning Policy</u></b> Budget provision established to cover the approximate cost of a potential neighbourhood planning referendum for Bolton By Bowland & Gisburn Parish Council.	5,000
<b><u>PLSUB: Grants &amp; Subscriptions</u></b> Lancashire County Council Archaeological and ecological Service ended in March 2016. Service taken on by Lancashire Archaeological Advisory Service at a reduced rate.	3,500

7 CONCLUSION

7.1 The difference between the revised and original estimate is a decrease in net expenditure of £8,740 after allowing for transfers to and from earmarked reserves.

## 8 RISK ASSESSMENT

### 8.1 The approval of this report may have the following implications

- Resources: approval of the revised estimate would see a decrease in net expenditure of £59,700 or £8,740 after allowing for movements on earmarked reserves.
- Technical, Environmental and Legal: none identified
- Political: none identified
- Reputation: sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

## 9 RECOMMENDED THAT COMMITTEE

### 9.1 Agree the revenue revised estimate for 2016/17.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD2-17/TH/AC  
23 December 2016

For further background information please ask for Trudy Holderness

BACKGROUND PAPERS - None

**PLANNING AND DEVELOPMENT COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2016/17**

**ANNEX 1**

	<b>MOVEMENT IN EXPENDITURE £</b>	<b>MOVEMENT IN INCOME £</b>	<b>MOVEMENT IN CAPITAL £</b>	<b>MOVEMENT IN SUPPORT SERVICES £</b>	<b>TOTAL MOVEMENT £</b>
<b>AONBS: Area of Outstanding Natural Beauty</b>					
Increase in support service costs due to changes in cost allocations mainly from Financial Services.				570	
<b>Total Area of Outstanding Natural Beauty</b>					<b>570</b>
<b>BCSAP: Building Control SAP Fees</b>					
Reduction in support service costs due to Changes in cost allocations from Chief Executives Department				-180	
Reduced income from SAP fees due to accredited surveyor spending less time carrying out inspections		3,360			
<b>Total Building Control SAP Fees</b>					<b>3,180</b>
<b>BCFEE: Building Control Fee Earning Account</b>					
Reduction in Building Control Fee Earning service share of car allowance costs	-1,680				
Increase in software maintenance cost for M3 Engage system supplied by Nothgate Public Service	1,340				

**PLANNING AND DEVELOPMENT COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2016/17**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
Increase in consultancy provision, due to staff turnover consultants are being employed to carry out some of the functions of a building surveyor	16,160				
Increase in support service costs due to changes in cost allocations mainly from Chief Executives Department				-38,430	
Increase in income following review of outstanding completions		-37,020			
<b>Total Building Control Fee Earning A/c</b>					<b>-59,630</b>
<b>BCNON: Building Control Non Fee Earning Account</b>					
Increase in fee earning element of car allowances	1,680				
Increase in software maintenance cost for M3 Engage system supplied by Nothgate Public Service	1,340				
Reduction in support service costs due to changes in cost allocations from Chief Executives Department				-9,660	
<b>Total Building Control Non Fee Earning A/c</b>					<b>-6,640</b>



**PLANNING AND DEVELOPMENT COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2016/17**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
<b>COMMG: Community Groups</b>					
Increase in support service costs due to changes in cost allocations from Chief Executives Department				20,000	
<b>Total Community Groups</b>					<b>20,000</b>
<b>CONSV: Conservation Areas</b>					
Decrease in support service costs due to changes in cost allocations from Community Services Department				-2,840	
<b>Total Conservation Areas</b>					<b>-2,840</b>
<b>PLANG: Planning Control &amp; Enforcement</b>					
Increase in consultancy provision to cover appeal costs and other planning issues, expenditure above base budget, met from earmarked reserve.	3,830				
Decrease in support service costs due to changes in cost allocations from Community Services and legal Services offset by increases from financial services and Chief Executives Department				-15,250	
Increase in Income from planning fees offset by a reduction in income from pre application advice.		-8,570			
<b>Total Planning Control &amp; Enforcement</b>					<b>-12,920</b>

**PLANNING AND DEVELOPMENT COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2016/17**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
<b><i>PLANP: Planning Policy</i></b>					
Budget provision established to cover the approximate cost of a potential neighbourhood planning referendum for Bolton By Bowland & Gisburn Parish Council.	5,000				
Decrease in support service costs due to changes in cost allocations from Chief Executives offset an increase in support costs mainly from Community Services Department				-2,240	
<b><i>Total Planning Policy</i></b>					<b>2,760</b>
<b><i>PLSUB: Grants &amp; Subscriptions-Planning</i></b>					
Lancashire County Council Archaeological and ecological Service ended in March 2016. Service taken on by Lancashire Archaeological Advisory Service at a reduced rate.	-6,570				
<b><i>Total Grants &amp; Subscriptions-Planning</i></b>					<b>-6,570</b>
<b>Other</b>	570	760	0	1,060	2,390
<b><i>Sub-total</i></b>	<b>28,740</b>	<b>-41,470</b>	<b>0</b>	<b>-46,970</b>	<b>-59,700</b>

**PLANNING AND DEVELOPMENT COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2016/17**

**ANNEX 1**

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
<b>MOVEMENT IN EARMARKED RESERVES</b>					
<b><i>PLBAL/H336 &amp; H358 Planning &amp; Core Strategy Reserves</i></b>					
Two reserves were identified to cover the cost of the Local Development scheme, these being the planning reserve and the core strategy reserve. Having completed the first consultation stage, resources are focused on the analysis and review of responses, resulting in a small increase in the contribution needed from the reserve.		-1,180			-1,180
<b><i>PLBAL/H336 Planning Reserve</i></b>					
A base estimate is provided for funding of planning appeals and consultancy on planning issues. The increase in the contribution represents the amount over the base budget needed to cover the additional cost.		-3,830			-3,830
<b><i>PLBAL/H234 Building Regulation Reserve</i></b>					
Initially resources were needed to cover the estimated deficit on the Building Control Fee Earning account but after reassessing the estimates for the service additional income from building regulation fees, reduced support costs offset by additional consultancy fee have resulted in a surplus. This is then added to the earmarked reserve.	60,770				60,770

**PLANNING AND DEVELOPMENT COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2016/17**

**ANNEX 1**

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
<b>PLBAL/H273</b> <b>Pendle Hill User Reserve</b>					
Due to an outstanding creditor brought forward from 2015/16, resources need to be added back to the earmarked reserve	200				200
<b>PLBAL/H284</b> <b>Neighbourhood Planning Reserve</b>					
The cost of a potentially a neighbourhood referendum for Bolton By Bowland & Gisburn Forest Parish Council is to be met from reserves		-5,000			-5,000
<b>Total Movement in Earmarked Reserves</b>	<b>60,970</b>	<b>-10,010</b>	<b>0</b>	<b>0</b>	<b>50,960</b>
<b>Total Movement</b>	<b>89,710</b>	<b>-51,480</b>	<b>0</b>	<b>-46,970</b>	<b>-8,740</b>

## 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	6,900	6,800	15,650	16,120
BCSAP	Building Control SAP Fees	-2,338	-106	-2,480	-300
CINTR	Clitheroe Integrated Transport Scheme	5,298	5,230	6,410	7,220
COMMG	Community Grants	6,660	0	22,830	42,830
CONSV	Conservation Areas	0	0	16,000	13,160
COUNT	Countryside Management	22,507	17,501	46,190	47,700
FPATH	Footpaths & Bridleways	208	0	6,850	6,800
LDEVE	Local Development Scheme	24,080	23,045	40,040	41,240
PENDU	Pendle Hill User Group	0	-200	0	-200
PLANG	Planning Control & Enforcement	-338,434	-334,566	159,670	148,680
PLANP	Planning Policy	0	0	161,810	164,570
PLSUB	Grants & Subscriptions-Planning	10,070	875	10,530	3,500
BCFEE	Building Control Fee Earning A/c	-112,256	-141,402	8,060	-52,710
BCNON	Building Control Non Fee Earning A/c	2,799	2,514	60,710	53,960
<b>Committee Subtotal</b>		<b>-374,506</b>	<b>-420,309</b>	<b>552,270</b>	<b>492,570</b>
<b>Earmarked Reserves</b>					
PLBAL/H234	Building Regulation Reserve	112,256	141,402	-8,060	52,710
PLBAL/H358	Core Strategy Reserve	-20,530	-20,530	0	-20,530
PLBAL/H336	Planning Reserve	-3,550	-6,345	-36,000	-20,480
PLBAL/H273	Pendle Hill User Reserve	0	200	0	200
PLBAL/H284	Neighbourhood Planning Reserve	0	0	0	-5,000
<b>Subtotal Earmarked Reserves</b>		<b>88,176</b>	<b>114,727</b>	<b>-44,060</b>	<b>6,900</b>
<b>Total</b>		<b>-286,330</b>	<b>-305,582</b>	<b>508,210</b>	<b>499,470</b>