

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No 6

meeting date: 11 JANUARY 2018
title: REVISED REVENUE BUDGET 2017/18
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

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.

2.4 This committee now also includes the budget for the new Planning and Economic Development Department. At this stage the departmental costs cover only the new director post (based on a 1 February 2018 start date).

2.5 Consequently the budget does not include the wider implications of the new departmental structure as this is currently being considered. Once finalised this restructuring will be cost neutral based, being based on existing staff currently budgeted for within our existing departmental structure, currently under other committees.

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 November 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, together with the associated movements in earmarked reserves.

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
AONBS: Area of Outstanding Natural Beauty	16,520	0	0	-610	0	15,910
BCFEE: Building Control Fee Earning	-5,490	4,930	-4,990	-5,960	0	-11,510
BCNON: Building Control Non Fee Earning	61,080	-3,840	-540	-610	0	56,090
BCSAP: Building Control SAP Fees	-2,550	-280	2,610	430	0	210
CINTR: Clitheroe Integrated Transport Scheme	7,290	-160	0	30	0	7,160
COMMG: Community Groups	53,540	-6,660	0	-46,880	0	0
CONSV: Conservation Areas	12,970	0	0	-780	0	12,190
COUNT: Countryside Management	37,650	6,260	880	7,570	0	52,360
ECDEV: Planning & Economic Development Department	0	35,820		-35,820		0
FPATH: Footpaths & Bridleways	6,970	0	0	-1,150	0	5,820
LDEVE: Local Development Scheme	47,000	-2,760	0	73,990	0	118,230
PENDU: Pendle Hill User Group	0		-440			-440

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
PLANG: Planning Control & Enforcement	167,820	3,210	36,020	33,860	-7,130	233,780
PLANP: Planning Policy	158,610	4,930		-72,760		90,780
PLSUB: Grants & Subscriptions - Planning	5,250					5,250
Grand Total	566,660	41,450	33,540	-48,690	-7,130	585,830
Associated Movements in Earmarked Reserves						
PLBAL/H336: Planning Earmarked Reserve	-42,900		2,760			-40,140
PLBAL/H284: Neighbourhood Planning Reserve	0		-4,930			-4,930
PLBAL/H234 Building Regulation Reserve	5,490		6,020			11,510
PLBAL/H273: Pendle Hill User Reserve	0		440			440
FNBAL/H334: Restructuring Reserve	0		-35,820			-35,820
Net After Movement in Earmarked Reserve	529,250	41,450	2,010	-48,690	-7,130	516,890

4.2 The difference between the revised and original estimate is an increase in net expenditure of £19,170 or a decrease in net expenditure of £12,360 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 2017/18 to DRAFT Revised Estimate 2017/18
<p><u>BCFEE: Building Control Fee earning account</u> Due to staff vacancies, consultants were employed to carry out some of the functions of a building surveyor.</p>	5,590
<p>Increase in income mainly from review of outstanding completions</p>	-4,990
<p><u>PLANG: Planning Control & Enforcement</u> Additional cost of upgrading dataset required for a fully integrated planning system.</p>	3,000
<p>Reduction in Income from decision notices, planning fees and pre application advice.</p>	36,020
<p><u>LDEVE: Local Development scheme</u> Increase in postage costs as a result of planning consultations under regulations 19 and 22</p>	4,060
<p>Decrease in provision for printing and stationery as commitment for interactive website is removed and partly replaced by a provision for printing.</p>	-3,370
<p>Provision for updating information on infrastructure delivery plan and hearing and notification costs less than anticipated.</p>	-3,830
<p><u>PLANP: Planning Policy</u> Budget provision established to cover the cost of the independent examination stage of the Bolton By Bowland & Gisburn Parish Council neighbourhood plan. The plan has since been withdrawn so no further costs will be incurred.</p>	4,930

6 CONCLUSION

6.1 The difference between the revised and original estimate is a decrease in net expenditure of £12,360 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 an decrease in net expenditure of £12,360 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.

8 RECOMMENDED THAT COMMITTEE

8.1 Agree the revenue revised estimate for 2017/18.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD1-18/TH/AC
15 December 2017

For further background information please ask for Trudy Holderness

BACKGROUND PAPERS - None

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2017/18**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
AONBS: Area of Outstanding Natural Beauty					
Increase in support service costs due to changes in cost allocations mainly from Financial Services.			-610		
Total Area of Outstanding Natural Beauty					-610
BCSAP: Building Control SAP Fees					
Increase in support service costs due to changes in cost allocations from financial services and Chief Executives Department			430		
Reduced income from SAP fees due to accredited surveyor spending less time carrying out inspections		2,610			
Total Building Control SAP Fees					3,040
BCFEE: Building Control Fee Earning Account					
Increase in tuition fees due to employee undertaking professional training	2,820				
Reduction in share of car allowance costs resulting from reduced mileage and the full year effect of a change from essential to casual users allowances. Also, reduced professional subscriptions.	-1,090				

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2017/18**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Decrease in software maintenance cost caused by MVM system from Northgate Public Services no longer being required.	-2,450				
Staff vacancies has resulted in a need to increase the consultancy provision in the earlier part of the year, to fund a consultant to carry out some of the functions of a building surveyor	5,590				
Reduction in support service costs due to changes in cost allocations mainly from Community Services and Chief Executives Department offset by an increase from Financial services			-5,960		
Increase in income following review of outstanding completions		-4,990			
Total Building Control Fee Earning A/c					-6,080
BCNON: Building Control Non Fee Earning Account					
Reduction in share of car allowance costs resulting from reduced mileage and the full year effect of a change from essential to casual users allowances.	-1,390				
Decrease in software maintenance cost caused by MVM system from Northgate Public Services no longer being required.	-2,450				

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2017/18**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Reduction in support service costs due to changes in cost allocations mainly from Chief Executives Department and Organisation and member development.			-610		
Total Building Control Non Fee Earning A/c					-4,450
COMMG: Community Groups					
Provision for payment of grants moved to Countryside management cost centre (see below).	-6,660				
Reduction in support service costs due to changes in cost allocations from Chief Executives Department. These costs now sit under the Community Groups budget on Health and Housing Committee.			-46,880		
Total Community Groups					-53,540
COUNT: Countryside Management					
Provision for payment of grants moved from Community Groups	6,660				
Increase in support service costs due to changes in cost allocations from Community services			7,570		
Total Countryside Management					14,230

**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 £
CONSV: Conservation Areas					
Decrease in support service costs due to changes in cost allocations from Community Services Department			-780		
Total Conservation Areas					-780
ECDEV: Planning & Economic Development Department					
Salary, national insurance and superannuation costs for the Director of Planning & Economic Development. Assumed start date of February 2018. Expenditure to be fully funded from the Restructuring Earmarked Reserve	15,820				
Estimated recruitment costs for the position of Director of Planning & Economic Development. Expenditure to be fully funded from the Restructuring Earmarked Reserve	20,000				
Expenditure incurred within this service is to be recharged out to the Planning and Economic Development services. This is the recharge income.			-35,820		
Total Planning & Economic Development Department					0
PLANG: Planning Control & Enforcement					
Additional cost of upgrading dataset required for a fully integrated planning system	3,000				

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2017/18**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Increase in support service costs mainly from changes in cost allocations from Community Services Department, Legal Services and Chief Executives Department, but also the estimated additional cost from the introduction of a new Director of Planning and Economic Development			33,860		
Reduction in capital charges from planning portal capital scheme slipping into a new financial year.				-7,130	
Reduction in income from decision notices, planning fees and pre-application advice		36,020			
Total Planning Control & Enforcement					65,750
LDEVE: Local Development Scheme					
Decrease in provision for printing & stationery as commitment for interactive website is removed partly replaced by a provision for printing	-3,370				
Increase in postage costs as a result of planning consultations under Regulations 19 and 22.	4,060				
Budget for producing updated information on infrastructure delivery plan and hearing and notification costs less than anticipated	-3,830				

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2017/18**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Increase in support service costs due to changes in cost allocations mainly from Chief Executives Department and Organisation & member development Section			73,990		
Total Planning Policy					70,850
PLANP: Planning Policy					
Budget provision established to cover the cost of the independent examination stage of the Bolton By Bowland & Gisburn Parish Council neighbourhood plan. The plan has since been withdrawn so no further costs will be incurred.	4,930				
Decrease in support service costs due to changes in cost allocations mainly from Chief Executives Department and Community Services Department offset by the additional recharge for the new Director of Planning and Economic Development.			-72,760		
Total Planning Policy					-67,830
Other	-190	-100	-1,120		-1,410
Sub-total	41,450	33,540	-48,690	-7,130	19,170

**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					
To cover the cost of the Local Development Scheme, resources were identified from the Planning earmarked reserve. The resources are needed to focus on the analysis and review of responses. Lower than anticipated costs have resulted in a small decrease in the contribution needed from the reserve.		2,760			2,760
PLBAL/H234 Building Regulation Reserve					
Initially a small surplus was estimated 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 an increase in the surplus. This is then added to the earmarked reserve.		6,020			6,020
PLBAL/H273 Pendle Hill User Reserve					
Contribution received during the year are to be added to the reserve		440			440

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2017/18**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
FNBAL/H334 Restructuring Reserve					
To fund the recruitment associated with the Director of Planning & Development Services and also salary costs to March 2018		-35,820			-35820
PLBAL/H284 Neighbourhood Planning Reserve					
To fund the costs of the independent examination stage of the Bolton By Bowland & Gisburn Parish Council neighbourhood plan. The plan has since been withdrawn so no further costs will be incurred/need to be funded.		-4,930			-4,930
Total Movement in Earmarked Reserves	0	-31,530	0	0	-31,530
Total Movement	41,450	2,010	-48,690	-7,130	-12,360

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	0	16,520	15,910
BCFEE	Building Control Fee Earning A/c	-105,807	-108,612	-5,490	-11,510
BCNON	Building Control Non Fee Earning A/c	8,778	9,657	61,080	56,090
BCSAP	Building Control SAP Fees	-2,258	-930	-2,550	210
CINTR	Clitheroe Integrated Transport Scheme	5,310	5,150	7,290	7,160
COMMG	Community Grants	6,660	0	53,540	0
CONSV	Conservation Areas	0	0	12,970	12,190
COUNT	Countryside Management	11,910	7,092	37,650	52,360
ECDEV	Planning & Economic Development Department	0	0	0	0
FPATH	Footpaths & Bridleways	208	0	6,970	5,820
LDEVE	Local Development Scheme	30,396	21,645	47,000	118,230
PENDU	Pendle Hill User Group	0	-441	0	-440
PLANG	Planning Control & Enforcement	-347,707	-291,691	167,820	233,780
PLANP	Planning Policy	0	4,906	158,610	90,780
PLSUB	Grants & Subscriptions-Planning	3,502	2,625	5,250	5,250
Committee Subtotal		-382,108	-350,599	566,660	585,830
Earmarked Reserves					
PLBAL/H234	Building Regulation Reserve	-30,396	-21,645	5,490	11,510
PLBAL/H336	Planning Reserve	-3,550	-6,345	-42,900	-40,140
PLBAL/H273	Pendle Hill User Reserve	0	440	0	440
FNBAL/H334	Restructuring Reserve	0	0	0	-35,820
PLBAL/H284	Neighbourhood Planning Reserve	0	-4,930	0	-4,930
Subtotal Earmarked Reserves		-33,946	-32,480	-37,410	-68,940
Total		-416,054	-383,079	529,250	516,890