

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No 9

meeting date: 6 SEPTEMBER 2018
 title: REVENUE MONITORING 2018/19
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To let you know the position for the period April to July 2018 of this year's revenue budget as far as this committee is concerned.

1.2 Relevance to the Council's ambitions and priorities:

Community Objectives – none identified

Corporate Priorities - to continue to be a well managed Council providing efficient services based on identified customer need. To meet the objective within this priority, of maintaining critical financial management controls, ensuring the authority provides council tax payers with value for money.

Other Considerations – none identified.

2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period to the end of July. You will see an overall underspend of £2,737 on the net cost of services. Please note that underspends are denoted by figures with a minus symbol. After allowing for transfers to/from earmarked reserves there is an underspend of £17,685.

Cost Centre	Cost Centre Name	Net Budget for the full year	Net Budget to the end of the period	Actual including commitments to the end of the period	Variance	
AONBS	Area of Outstanding Natural Beauty	16,010	0	0	0	G
BCFEE	Building Control Fee Earning	-15,020	-55,297	-56,329	-1,032	G
BCNON	Building Control Non Fee Earning	58,590	1,299	1,191	-108	G
BCSAP	Building Control SAP Fees	-120	-468	-30	438	G
CINTR	Clitheroe Integrated Transport Scheme	7,250	0	0	0	G
CONSV	Conservation Areas	9,140	0	0	0	G
COUNT	Countryside Management	53,130	9,185	9,940	755	G
ECDEV	Economic Development Department	0	32,982	9,506	-23,476	R
FPATH	Footpaths & Bridleways	5,850	104	0	-104	G
LDEVE	Local Development Scheme	93,850	0	0	0	G

Cost Centre	Cost Centre Name	Net Budget for the full year	Net Budget to the end of the period	Actual including commitments to the end of the period	Variance	
PENDU	Pendle Hill User Group	0	0	-191	-191	G
PLANG	Planning Control & Enforcement	119,460	-184,759	-165,078	19,681	R
PLANP	Planning Policy	105,520	0	6,550	6,550	R
PLSUB	Grants & Subscriptions - Planning	7,880	0	0	0	G
	Sum:	461,540	-196,954	-194,441	2,513	

Transfers to/from Earmarked Reserves				
Building Control Fee Earning Reserve	15,020	55,297	56,329	1,032
Planning Reserve	-19,160	0	-14,525	-14,525
Restructuring Earmarked Reserve	0	0	-6,705	-6,705
Total after Transfers to/from Earmarked Reserves	457,400	-141,657	-159,342	-17,685

2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are potential areas of high concern and green variances are areas, which currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

2.3 We have then extracted the main variations for the items included in the red shaded cost centres and shown them with the budget holder's comments and agreed action plans, in Annex 1.

2.4 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.

2.5 In summary the main area of variance that is **unlikely** to rectify itself by the end of the financial year is shown below:

Description	Variance to end July 2018 £
<p>Economic Development Department (ECDEV) – As the new director was not in post until August this has produced the variance shown. The direct employee costs budget will be adjusted at the Revised Estimate to reflect the actual start date in post.</p>	-32,982
<p>Planning Control & Enforcement (PLANG) - There has been a sizeable overspend on consultants, notably with regard to an appeal in respect of an application in Read. It is anticipated that the appeal will be heard in October, and further expenditure is expected.</p> <p>Spend on consultants, which is above that allowed for in the budget, is generally funded from the Planning earmarked reserve. As such, the budget and movement on earmarked reserves will be reviewed as part of the revised estimate.</p>	14,525

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an overspend of £2,513 for the first four months of the financial year 2018/19. After allowing for transfers to/from earmarked reserves there is an underspend of £17,685.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PD8-18/LO/AC
28 August 2018

Planning and Development Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ECDEV/0100	Economic Development Department/Salaries	76,710	25,590	0	-25,590	As the new director was not in post until August this has produced the variance shown.	The budget will be adjusted at the Revised Estimate to reflect the actual start date in post.
ECDEV/2809	Economic Development Department/Non Recurring Purchases	0	0	6,705	6,705	The final preparatory costs in relation to the new director, i.e. office space etc. These costs will be fully met from the Restructuring Earmarked Reserve	The budget will be adjusted at Revised Estimate to reflect these final preparatory costs and the associated release of funding from the Restructuring Earmarked Reserve
PLANG/3085	Planning Control & Enforcement/Consultants	8,910	8,910	23,435	14,525	There has been a sizeable overspend on consultants, notably with regard to an appeal in respect of an application in Read. It is anticipated that the appeal will be heard in October, and further expenditure is expected.	Spend on consultants, which is above that allowed for in the budget, is generally funded from the Planning earmarked reserve. As such, the budget and movement on earmarked reserves will be reviewed as part of the revised estimate.

Planning and Development Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
PLANG/8402z	Planning Control & Enforcement/Legal Fees	0	0	-8,844	-8,844	This relates to a prosecution for breach of an enforcement notice and the court ordered repayment of all legal fees, both internal and external, by the defendant to the council.	The budget will be adjusted at the revised estimate to reflect the latest position.
PLANG/8404u	Planning Control & Enforcement/Planning Fees	-616,660	-205,716	-188,867	16,849	Planning fee income is currently showing as lower than the budget. The budget is split evenly across the year for planning income and reflects the inability to forecast exactly when planning income will be received. It is too early in the year to forecast what the likely outturn for the year on planning fees will be.	We will continue to closely monitor the level of planning fee income received, and will revise the budget level to best reflect the latest forecasts at the time of the Revised Estimate.
PLANP/3116	Planning Policy/Consultants - Neighbourhood Plan	0	0	5,300	5,300	These costs relate to work around the examination stage of the Longridge Neighbourhood Plan – these costs will be met from an earmarked reserve with resources set aside for this purpose.	The spend on the Longridge Neighbourhood Plan will be reflected in the Revised Estimate together with the associated release of funding from Earmarked Reserves.

Planning and Development Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance
BCFEE/8405n	Building Control Fee Earning/Building Regulation Fees	-185,000	-61,712	-59,396	2,316	<p>Building Control income is currently showing as lower than the budget. The budget is split evenly across the year for building control fees and reflects the inability to forecast exactly when building control fee income will be received. It is too early in the year to forecast what the likely outturn for the year on building control fees will be.</p> <p>The building control fee earning service is ringfenced, meaning that any surpluses must be set aside in an earmarked reserve and any deficits must be met from the same.</p>
ECDEV/0108	Economic Development Department/National Insurance	9,480	3,160	0	-3,160	As the new director was not in post until August this has produced the variance shown.
ECDEV/0109	Economic Development Department/Superannuation	12,690	4,232	0	-4,232	As the new director was not in post until August this has produced the variance shown.
PLANG/8495n	Planning Control & Enforcement/Pre Application Advice	-36,420	-12,148	-14,748	-2,600	To date there has been a greater level of Pre-Application Advice fees than originally anticipated.