

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ECONOMIC DEVELOPMENT COMMITTEE

Agenda Item No 6

meeting date: 24 JANUARY 2019
title: REVISED REVENUE BUDGET 2018/19
submitted by: DIRECTOR OF RESOURCES
principal author: AMY JOHNSON

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, with details of the movements that affect 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 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
ALBNM: Albion Mill	-410			200		-210
INDDV: Economic Development	163,990			6,510		170,500
TURSM: Tourism and Events	106,660	21,890	-22,550	-950		105,050
Grand Total	270,240	21,890	-22,550	5,760		275,340

- 4.2 The difference between the revised and original estimate is an increase in net expenditure of £5,100.

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>INDDV - Economic Development Increased support service costs, mainly due to recharges having been reviewed as a result of the departmental restructuring.</p>	6,510
<p>TURSM - Tourism & Events Printing costs relating to the production of the Visitor Guide 2019, offset in full by income to be received (see below).</p>	22,330
<p>TURSM - Tourism & Events Income to be generated from the sale of advertising in the 2019 Visitor Guide.</p>	-22,550

6 CONCLUSION

6.1 The difference between the revised and original estimate is an increase in net expenditure of £5,100.

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 £5,100.
- 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.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

ED2-19/AJ/AC

9 January 2019

For further background information please ask for Amy Johnson

BACKGROUND PAPERS - None

**COMMUNITY SERVICES COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2018/19**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
<i>INDDV: Economic Development</i>					
Increase to support service costs mainly due to recharges having been reviewed following the departmental restructure.				6,510	
Total Economic Development					6,510
<i>TURSM: Tourism and Events</i>					
Temporary staff have been employed to help administer the production of the Visitor Guide 2019. Expenditure is offset in full by the income that will be generated.	2,000				
Sales and production of the 2019 Guide is to be carried out in house. This is the estimated printing cost of the Guide.	22,330				
Reduced estimated spend on postage costs.	-2,370				
Additional income to be generated from the sale of advertising in the 2019 Visitor Guide. The budget previously allowed for a share of profit generated.		-22,550			
Total Tourism and Events					-590
Other					-820
Sub-Total					5,100
Total Movement					5,100

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	-2,871	-255	-410	-210
INDDV	Economic Development	16,718	7,132	163,990	170,500
TURSM	Tourism & Events	24,397	24,573	106,660	105,050
Committee Total		38,244	31,450	270,240	275,340