

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

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Agenda Item No

meeting date: 9 JANUARY 2020  
title: REVISED REVENUE BUDGET 2019/20  
submitted by: DIRECTOR OF RESOURCES  
principal author: VALERIE TAYLOR

### 1 PURPOSE

- 1.1 To agree a revised revenue budget for 2019/20 for this committee.

### 2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2019.
- 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 2018/19 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 2019/20 included provision for pay increases at 3% and price increases at 2%.
- 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 into 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 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 2019/20

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 2019/20	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2019/20
AONBS: Area of Outstanding Natural Beauty	15,530	-140		340		15,730
BCFEE: Building Control Fee Earning	15,290	18,460	4,760	3,010		41,520
BCNON: Building Control Non Fee Earning	70,250	-1,390	-260	1,320		69,920
BCSAP: Building Control SAP Fees	-410	-890	1,300			0
CINTR: Clitheroe Integrated Transport Scheme	7,250			50		7,300
CONSV: Conservation Areas	8,400			430		8,830
CORES: Core Strategy	20,000					20,000
COUNT: Countryside Management	51,990			1,260		53,250
ECPLA: Economic Development and Planning Dept	0	-51,690	-1,900	53,590		0
LDEVE: Housing and Economic Development DPD	120,780	64,180		-320		184,640
PENDU: Pendle Hill User Group	0	42,240				42,240
PLANG: Planning Control & Enforcement	-11,790	30,050	23,920	-22,060	-5,280	14,840
PLANP: Planning Policy	106,700	2,630		-8,680		100,650

Cost Centre and Description	Original Estimate 2019/20	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2019/20
PLSUB: Grants & Subscriptions - Planning	8,040	2,340				10,380
<b>Grand Total</b>	<b>412,030</b>	<b>105,790</b>	<b>27,820</b>	<b>28,940</b>	<b>-5,280</b>	<b>569,300</b>

<b>Associated Movements in Earmarked Reserves</b>						
PLBAL/H336: Planning Reserve (Core Strategy)	0	-20,000	0	0	0	-20,000
PLBAL/H336: Planning Reserve (Local Development Plan)	-11,200	-20,670	0	0	0	-31,870
PLBAL/H336: Planning Reserve (Planning)	0	-37,730	0	0	0	-37,730
PLBAL/H234 Building Regulation Reserve	-15,290	-18,460	-4,760	-3,010	0	-41,520
PLBAL/H273: Pendle Hill User Reserve	0	-22,240	0	0	0	-22,240
PLBAL/H296: Pendle Hill Landscape Partnership	0	-20,000	0	0	0	-20,000
<b>Net After Movement in Earmarked Reserve</b>	<b>385,540</b>	<b>-33,310</b>	<b>23,060</b>	<b>25,930</b>	<b>-5,280</b>	<b>395,940</b>

- 4.2 The difference between the revised and original estimate is an increase in net expenditure of £157,270 or an increase in net expenditure of £10,400 after allowing for movements 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 2019/20 to DRAFT Revised Estimate 2019/20
<p><b><u>BCFEE: Building Control Fee Earning Account</u></b>                      It has been necessary to engage an external consultant within the building control section to undertake fee earning activities during a period of recruitment and the subsequent training of a new employee. Whilst the arrangement is subject to ongoing review it is expected that the consultancy service will continue to be utilised on a casual basis for the remainder of the financial year.</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>	20,050
<p><b><u>PENDU: Pendle Hill User Group</u></b>                      The council holds two reserves to set aside donations received to fund expenditure on the maintenance/ upkeep of Pendle Hill. Following authorisation from the Pendle Hill User Group and confirmation of current year planned expenditure, funds are set to be released as a contribution towards the Pendle Hill Landscape Partnership project in the current financial year.</p>	42,240
<p><b><u>PLANG: Planning Control &amp; Enforcement</u></b>                      Spend on consultants in respect of planning appeals year to date is higher than that estimated. Increases in expenditure over the original estimate are generally funded from the planning earmarked reserve.</p>	37,730
<p><b><u>PLANG: Planning Control &amp; Enforcement</u></b>                      Estimates for income from planning applications and pre-application advice have been reduced at revised estimate by £12k and £11k respectively. Estimated planning application fee outturn for this year has been informed by prior full-year averages and represents a 1.8% reduction on the original estimate. Pre-application advice at the date of review was falling below target income, with the reduction at revised estimate being offset by vacancy savings elsewhere following a prolonged vacancy in the pre-application advice officer post.</p>	23,430

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20
<p><b><u>LDEVE: Local Development Plan</u></b>  Cost of Inspector fees for the Local Development Plan Examination in Public (£73,510) offset by net savings on other local development plan expenditure.</p> <p>As approved by P&amp;F Committee in November 2019 £30k of the expenditure on inspector fees will be met from local development plan funds previously set aside in the planning earmarked reserve, leaving £43k to be met from general fund balances.</p>	64,180

6 CONCLUSION

6.1 The difference between the revised and original estimate is an increase in net expenditure of £10,400 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 increase in net expenditure of £10,400 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 2019/20.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD2-20/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 2019/20**

**ANNEX 1**

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
<b>AONBS: Area of Outstanding Natural Beauty</b>					
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.	-140		340		
<b>Total Area of Outstanding Natural Beauty</b>					<b>200</b>
<b>BCSAP: Building Control SAP Fees</b>					
SAP surveys are no longer being undertaken by the Building Control section resulting in a net reduction to income of £410 at revised estimate.	-890	1,300			
<b>Total Building Control SAP Fees</b>					<b>410</b>
<b>BCFEE: Building Control Fee Earning Account</b>					
It has been necessary to engage an external consultant within the building control section to undertake fee earning activities during a period of recruitment and subsequent training of a new employee.	20,050				
Reduction in car allowance costs resulting from reduced mileage claims.	-970				
Net increase in support service costs due to changes in cost allocations from the ICT, Chief Executives, Resources and Economic Development & Planning Departments.			3,010		
Income to date is lower than estimated for 2019/20. 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 averages.		4,760			
<b>Total Building Control Fee Earning A/c</b>					<b>26,850</b>
<b>BCNON: Building Control Non Fee Earning Account</b>					
Reduction in car allowance costs resulting from reduced mileage claims.	-1,350				

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Net increase in support service costs due to changes in cost allocations from the ICT, Chief Executives and Resources Departments.			1,320		
<b>Total Building Control Non Fee Earning A/c</b>					-30
<b>COUNT: Countryside Management</b>					
Net increase in support service costs due to changes in cost allocations from the Community, Chief Executives, Resources and Economic Development and Planning Departments.			1,260		
<b>Total Countryside Management</b>					1,260
<b>CONSV: Conservation Areas</b>					
There has been a small adjustment to the level of support services recharged to this service area.			430		
<b>Total Conservation Areas</b>					430
<b>ECPLA: Economic Development and Planning Dept</b>					
Reduction to the salary estimate for the year due to vacancy savings exceeding those built in to the original estimate and also due to the cessation of a temporary increase in hours.	-33,920				
Reduction to employer national insurance estimate due to the above.	-3,910				
The employer superannuation estimate has been reduced due to the above and also because there has been lower take up of the scheme than allowed for within the original estimate.	-15,140				
Net increase in support service costs due to changes in cost allocations from council premises and the ICT, Chief Executives and Resources Departments.			14,990		
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.			38,600		
<b>Total: Economic Development and Planning Department</b>					620

**PLANNING AND DEVELOPMENT COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
<b>LDEVE: Housing and Economic Development DPD</b>					
Cost of Inspector fees for the Local Development Plan Examination in Public (£73,510) offset by savings on printing and stationery costs (-£10,000).	63,510				
Actual postage costs in respect of the Housing and Economic Development Development Plan Document (HED DPD) were higher than estimated.	670				
<b>Total: Local Development Plan</b>					<b>64,180</b>
<b>PENDU: Pendle Hill User Group</b>					
Funds held in reserve on behalf of the Pendle Hill Advisory Group and authorised as a contribution towards the Pendle Hill Landscape Partnership which are expected to be spent before the end of the 2019/20 financial year. This spend is fully funded from monies set aside in Earmarked Reserves.	42,240				
<b>Total Pendle Hill User Group</b>					<b>42,240</b>
<b>PLANG: Planning Control &amp; Enforcement</b>					
Revenue implications of the planning portal capital scheme are not now expected to fall in the 2019/20 financial year. £2,340 of this was vired to fund increased costs relating to archaeological advice (see PLSUB).	-4,000				
The value of planning fee refunds was lower than average at the date of review which has reduced the estimate in this area.	-1,000				
Spend on consultants in respect of planning appeals year to date is higher than that estimated. Expenditure over the original estimate is generally funded from the planning earmarked reserve.	37,730				
Expenditure on statutory notices at the date of review was higher than average which has increased the revised estimate for 2019/20.	4,080				

**PLANNING AND DEVELOPMENT COMMITTEE  
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

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The budget for Local Plan ad-hoc expenditure has been moved to Planning Policy (PLANP).	-2,630				
Removal of budget originally used to subscribe to ordnance survey data in order to access aerial photography layer. The budget is no longer required following access to a free alternative under the Public Sector Mapping Agreement.	-3,160				
Net decrease in support service costs due to changes in cost allocations from the Economic Development and Planning, Community, Chief Executives and Resources Departments.			-22,060		
Decrease in annual depreciation charge in respect of the delayed implementation of the planning system upgrade capital scheme.				-5,280	
The planning fee income estimate is based on a 3-year average. Following analysis of the 2016/17-2018/19 financial years the budget has been reduced at revised estimate.		12,650			
Income from pre-application advice fees was falling below target at the date of the review reducing the likely outturn estimate for this year. The reduced income has been offset by vacancy savings in the current year which have arisen following a prolonged vacancy in the role of the Pre-Planning Advice officer post.		10,780			
<b>Total Planning Control &amp; Enforcement</b>					<b>27,110</b>
<b>PLANP: Planning Policy</b>					
The budget for Local Plan ad-hoc expenditures has been moved in from Planning Control & Enforcement (PLANG).	2,630				
Net decrease in support service costs due to changes in cost allocations from the Economic Development and Planning, Chief Executives and Resources Departments.			-8,680		
<b>Total Planning Policy</b>					<b>-6,050</b>

**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 £
<b>PLSUB: Subscriptions</b>					
The Lancashire Archaeological Advisory Service which provided advice to the planning section closed at the end of the 2018/19 financial year. An alternative provider has been sourced, but this has brought about an increase in costs for the 2019/20 year which have been met from a virement from the planning software budget.	2,340				
<b>Total Planning Control &amp; Enforcement</b>					<b>2,340</b>
<b>Other</b>	-350	-1,670	-270		-2,290
<b>Sub-total</b>	<b>105,790</b>	<b>27,820</b>	<b>28,940</b>	<b>-5,280</b>	<b>157,270</b>
<b>MOVEMENT IN EARMARKED RESERVES</b>					
<b>PLBAL/H336 Planning Reserve</b>					
Spend on consultants in respect of planning appeals is higher than that estimated. Expenditure over the original estimate is generally funded from the planning earmarked reserve.	-37,730				-37,730
Release of funds set aside within the planning reserve to fund final expenditure on the Local Development Scheme. £20k of this relates to inspector fees (P&F Nov 2019) and £670 for postage costs above that originally estimated.	-20,670				-20,670
Release from the planning reserve to fund expenditure on consultation support required to undertake a strategic housing and economic needs assessment in line with the commitment set out in the Core Strategy (Emergency Committee August 2019).	-20,000				-20,000
<b>PLBAL/H234 Building Regulation Reserve</b>					

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Under charging regulations any surplus/ deficit from building control fee charging activities is held in a separate earmarked reserve. Revisions to estimates for 2019/20 (see BCFEE for main variations) have therefore impacted on the anticipated movements in reserve.	-18,460	-4,760	-3,010		-26,230
<b>PLBAL/H273 Pendle Hill User Reserve</b>					
The Pendle Hill User reserve was established to set aside donations received that are to be spent on Pendle Hill maintenance/ upkeep. The anticipated release from the reserve in this financial year is following authorisation from the Pendle Hill User group to contribute funds towards the Pendle Hill Landscape Partnership project.	-22,240				-22,240
<b>PLBAL/H296 Pendle Hill Landscape Partnership Reserve</b>					
This reserve was established in 2018/19 following receipt of a further £20k of funds to be earmarked for expenditure on the Pendle Hill Landscape Partnership project. It is anticipated that the funds will be fully expended in the current financial year.	-20,000				-20,000
<b>Total Movement in Earmarked Reserves</b>	<b>-139,100</b>	<b>-4,760</b>	<b>-3,010</b>	<b>0</b>	<b>-146,870</b>
<b>Total Movement</b>	<b>-33,310</b>	<b>23,060</b>	<b>25,930</b>	<b>-5,280</b>	<b>10,400</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	6,940	0	15,530	15,730
BCFEE	Building Control Fee Earning A/c	-96,330	-89,310	15,290	41,520
BCNON	Building Control Non Fee Earning A/c	5,610	4,220	70,250	69,920
BCSAP	Building Control SAP Fees	-270	0	-410	0
CINTR	Clitheroe Integrated Transport Scheme	6,040	0	7,250	7,300
CONSV	Conservation Areas	0	0	8,400	8,830
CORES	Core Strategy	17,250	18,180	20,000	20,000
COUNT	Countryside Management	20,030	14,500	51,990	53,250
ECPLA	Economic Development & Planning Dept	641,380	595,920	0	0
LDEVE	Housing and Economic Development DPD	10,400	75,380	120,780	184,640
PENDU	Pendle Hill User Group	0	5,940	0	42,240
PLANG	Planning Control & Enforcement	-441,090	-424,590	-11,790	14,840
PLANP	Planning Policy	0	0	106,700	100,650
PLSUB	Grants & Subscriptions-Planning	8,040	10,380	8,040	10,380
<b>Committee Subtotal</b>		<b>178,000</b>	<b>210,620</b>	<b>412,030</b>	<b>569,300</b>
<b>Earmarked Reserves</b>					
PLBAL/H234	Building Regulation Reserve	96,330	89,310	-15,290	-41,520
PLBAL/H336	Planning Reserve (LDEVE)	-10,400	-31,870	-11,200	-31,870
PLBAL/H336	Planning Reserve (PLANG)	0	-37,730	0	-37,730
PLBAL/H336	Planning Reserve (CORES)	0	-18,180	0	-20,000
PLBAL/H273	Pendle Hill User Reserve	0	-5,940	0	-22,240
FNBAL/H296	Pendle Hill Landscape Partnership	0	0	0	-20,000
<b>Subtotal Earmarked Reserves</b>		<b>85,930</b>	<b>-4,410</b>	<b>-26,490</b>	<b>-173,360</b>
<b>Total</b>		<b>263,930</b>	<b>206,210</b>	<b>385,540</b>	<b>395,940</b>