

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: 6 JANUARY 2022
title: REVISED REVENUE BUDGET 2021/22
submitted by: DIRECTOR OF RESOURCES
principal author: VALERIE TAYLOR

1. PURPOSE

- 1.1. To agree a revised revenue budget for 2021/22 for this committee.

2. BACKGROUND

- 2.1. The original estimate for this current financial year was set in March 2021.
- 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. The budget this year has been particularly impacted by the Covid-19 pandemic. The pandemic has also brought about wider pressures on service resources to the extent that there has been a lighter touch review of the budgets this year, and the reporting this year is at a higher level than that usually provided.

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 2020/21 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 2021/22 included provision for pay increases at 2% 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 discussions with budget holders and heads of service on past service provision and future plans. However, as previously highlighted, there has been a lighter touch review of the budgets this year due to Covid-19.
- 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. 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 1.
4. PROPOSED REVISED REVENUE BUDGET 2021/22
- 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 2021/22	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2021/22
AONBS: Area of Outstanding Natural Beauty	16,150	0	0	390	0	16,540
BCFEE: Building Control Fee Earning	23,500	-2,770	-21,550	-5,300	0	-6,120
BCNON: Building Control Non Fee Earning	74,210	-310	0	-1,100	0	72,800
CINTR: Clitheroe Interchange	7,160	-5,340	0	-640	-1,180	0
CONSV: Conservation Areas	8,710	0	0	520	0	9,230
COUNT: Countryside Management	54,270	14,520	-10,000	0	0	58,790
ECPLA: Economic Development and Planning Dept	0	-50,890	0	50,890	0	0
LPLAN: Local Plan	250,660	-6,340	0	-21,550	0	222,770
PLANG: Planning Control & Enforcement	30,800	-3,900	52,000	-47,090	0	31,810
PLANP: Planning Policy	110,510	0	0	4,890	0	115,400
PLSUB: Grants & Subscriptions - Planning	10,790	0	0	0	0	10,790
Grand Total	586,760	-55,030	20,450	-18,990	-1,180	532,010
Associated Movements in Earmarked Reserves						
PLBAL/H234: Building Regulation Reserve	-23,500	2,770	21,550	5,300	0	6,120
PLBAL/H336: Planning Reserve	0	-3,000	0	0	0	-3,000

Cost Centre and Description	Original Estimate 2021/22	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2021/22
PLBAL/H337: Equipment Reserve	0	-620	0	0	0	-620
PLBAL/H363: Whalley Moor Woodland Grant	0	-4,520	0	0	0	-4,520
Net after Movements in Earmarked Reserves	563,260	-60,400	42,000	-13,690	-1,180	529,990

4.2. The difference between the revised and original estimate is a decrease in net expenditure of £54,750 or a decrease in net expenditure of £33,270 after allowing for movements on earmarked reserves.

5. EARMARKED RESERVES

5.1. In the Original Estimate for 2021/22 this committee planned to transfer £23,500 out of earmarked reserves to support its net expenditure. In revising this committee's estimates, the proposal included here is that this committee transfer £2,020 out of earmarked reserves.

5.2. The table below provides a summary of the DRAFT Revised Estimate for 2021/22 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.

	DRAFT Revised Estimate 2021/22	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	532,010	
PLBAL/H234 Building Regulation Reserve	6,120	Under charging regulations any surplus/ deficit from building control fee charging activities is held in a separate earmarked reserve. This year activities are estimated to make a net profit and accordingly this movement represents the contribution to the earmarked reserve.
PLBAL/H336 Planning Reserve	-3,000	Release of grant funds set aside last year to support work producing a supplementary planning document relating to promoting health and wellbeing.
PLBAL/H337 Equipment Reserve	-620	Release of planning funds that were set aside last year to pay for the purchase of office equipment in the 2021/22 financial year.

	DRAFT Revised Estimate 2021/22	Reason for Movement on Earmarked Reserve
PLBAL/H363 Whalley Moor Woodland Grant Reserve	-4,520	A revenue budget has been established for one-off expenditure on footpath maintenance works at Whalley Community Woodland that has taken place this year. The work is to be funded from residual grant monies that are held in the Whalley Moor Woodland Grant earmarked reserve (now fully expended).
Committee Net Cost of Services after Movements on Earmarked Reserves	529,990	

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.

Description	Variance Original Estimate 2021/22 to DRAFT Revised Estimate 2021/22
BCFEE: Building Control Higher than average building control income has been generated by the building control section for the period to November. The budget for the remainder of the year has been revised upwards to include last year's income within the rolling average that forms the basis for the estimate.	-£14,030
Recovery of tuition fees.	-£7,520
COUNT: Countryside Management A budget has been established for estimated expenditure this year of S106 funds that were received for biodiversity works at the two local nature reserves of Salthill and Crosshill.	£10,000
Release of S106 funds in respect of the above works.	-£10,000

Description	Variance Original Estimate 2021/22 to DRAFT Revised Estimate 2021/22
<p>ECPLA: Economic Development and Planning Department Council staffing budgets at original estimate assume average vacancy underspends of 4% across the authority on estimated costs. Actual underspends within the Economic Development and Planning Department have exceeded those built into the budget, bringing about an underspend for the year. Following a full analysis at revised estimate of year to date expenditure and estimated recruitment timescales the budget estimates have been reduced. Budgets incorporate backdated changes to the council's payline from October 2021 as approved by Policy and Finance Committee in November 2021.</p>	-£56,490
<p>PLANG: Planning Control and Enforcement Reduction to the estimated planning fee income budget for the year. Actual income achieved for the financial year to November was 6% lower than the original estimate. The revised estimate assumes that planning fee income will continue to be below the base estimate at this level for the remainder of the financial year. The council budgeted £150k in the current financial year as a contingency against potential income losses across all services due to the continuing impact of the coronavirus pandemic on the economy. The level of contingency needed will be reviewed as part of the overall budget process, if needed.</p>	£41,210
<p>PLANG: Planning Control and Enforcement Due to vacancies and a redeployment within the planning section the pre-application advice service has been offered in respect of major planning applications only since August 2021. While subject to ongoing review, it is estimated that full service delivery will resume early in 2022. Estimated income to be generated for officer time spent on the Haweswater project under a Planning Performance Agreement with United Utilities</p>	£21,560 -£12,000
<p>CINTR: Clitheroe Interchange The budget set aside for maintenance and running costs of the Clitheroe Interchange has been transferred to Policy and Finance Committee to form part of the council's estate management budget.</p>	-£7,160

7. CONCLUSION

- 7.1. The difference between the revised and original estimate is a decrease in net expenditure of £33,270 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 £54,750 or £33,270 after 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 2021/22.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD16-21/VT/AC
21 December 2021

**ACTUAL TO THE END OF NOVEMBER 2021 WITH ORIGINAL ESTIMATE 2021/22 AND
PROPOSED REVISED ESTIMATE 2021/22**

Cost Centre	Description	Original Estimate to End November 2021	Actual including Commitments to End November 2021	Full Year Original Estimate 2021/22	Proposed Revised Estimate 2021/22
AONBS	Area of Outstanding Natural Beauty	7,220	0	16,150	16,540
BCFEE	Building Control Fee Earning	-109,246	-131,642	23,500	-6,120
BCNON	Building Control Non Fee Earning	4,934	2,097	74,210	72,800
CINTR	Clitheroe Interchange	0	0	7,160	0
CONSV	Conservation Areas	0	0	8,710	9,230
COUNT	Countryside Management	20,921	21,391	54,270	58,790
ECPLA	Economic Development and Planning Dept	664,983	602,090	0	0
LPLAN	Local Plan	93,356	63,552	250,660	222,770
PLANG	Planning Control & Enforcement	-443,553	-396,412	30,800	31,810
PLANP	Planning Policy	-268	-3,207	110,510	115,400
PLSUB	Grants & Subscriptions - Planning	10,790	10,603	10,790	10,790
Committee Subtotal		249,137	168,472	586,760	532,010
Earmarked Reserves					
PLBAL/H234	Building Regulation Reserve	109,246	131,642	-23,500	6,120
PLBAL/H336	Planning Reserve	0	0	0	-3,000
PLBAL/H337	Equipment Reserve	0	-620	0	-620
PLBAL/H363	Whalley Moor Woodland Grant	0	-4,520	0	-4,520
Subtotal Earmarked Reserves		109,246	126,502	-23,500	-2,020
Committee Total after Transfers to/ from (-) Earmarked Reserves		358,383	294,974	563,260	529,990