

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO ECONOMIC DEVELOPMENT COMMITTEE

DECISION

meeting date: 20 JANUARY 2022  
title: REVISED REVENUE BUDGET 2021/22  
submitted by: DIRECTOR OF RESOURCES  
principal author: HELEN SEEDALL

### 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 service specific budget at cost centre level 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
ALBNM: Albion Mill	340	5,020	-3,640	-2,240		<b>-520</b>
INDDV: Economic Development	191,210	2,490		-18,500		<b>175,200</b>
TURSM: Tourism and Events	122,500	22,400	-14,810	-11,050		<b>119,040</b>
<b>Service cost centre movements</b>	<b>314,050</b>	<b>29,910</b>	<b>-18,450</b>	<b>-31,790</b>	<b>0</b>	<b>293,720</b>
<b>Associated Movements in Earmarked Reserves</b>						
EDBAL/H276: Promotions Activities Reserve	0	-5,330				<b>-5,330</b>
EDBAL/H386: Restoring Your Railways Reserve	0	-7,490				<b>-7,490</b>
<b>Service centre net after movements in earmarked reserves</b>	<b>314,050</b>	<b>17,090</b>	<b>-18,450</b>	<b>-31,790</b>	<b>0</b>	<b>280,900</b>

4.2 The difference between the revised and original estimate is a decrease in net expenditure of £20,330 or a decrease of £33,150 after allowing for movements on earmarked reserves.

#### 5. EARMARKED RESERVES

5.1. In the Original Estimate for 2021/22 this committee did not plan to add or take to or from earmarked reserves to support its expenditure. In revising this committee's estimates, the proposal included here is that this committee take £12,820 from 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.

	<b>DRAFT Revised Estimate 2021/22</b>	<b>Reason for Movement on Earmarked Reserve</b>
<b>Committee Net Cost of Services</b>	<b>293,720</b>	
EDBAL/H276 Promotions Activities Reserve	-5,330	To fund expenditure on the publication of a guide, production of which was delayed in 2020/21 due to the changing restrictions in managing the pandemic.
EDBAL/H386 Restoring Your Railways Reserve	-7,490	To fund expenditure incurred in the production of the final report by consultants, engaged to deliver the strategic business case for the reopening of the Clitheroe to Hellifield railway to passengers.
<b>Committee Net Cost of Services after Movements on Earmarked Reserves</b>	<b>280,900</b>	

## 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:

<b>Description</b>	<b>Variance Original Estimate 2021/22 to DRAFT Revised Estimate 2021/22 £</b>
<b>Substantial movements within service specific cost centres</b>	
<b><u>INDDV – Economic Development</u></b>	
Reduction in support service costs mainly due to the recharge of Economic Development and Planning officer time to the Contain Outbreak Management Fund in respect of managing the response to the pandemic.	-18,500
Expenditure incurred in the production of the final report by consultants engaged to deliver the strategic business case for the reopening of the Clitheroe to Hellifield railway to passengers. This expenditure is being funded from unspent grant funding received in 2020/21 set aside in an earmarked reserve for this purpose.	7,490
Contribution to the Clitheroe Food Festival not required as the event was cancelled in 2021 due to the pandemic.	-5,000

Description	Variance Original Estimate 2021/22 to DRAFT Revised Estimate 2021/22 £
<p><b><u>TURSM – Tourism and Events</u></b></p> <p>Decrease in support service costs mainly due to a lower allocation of officer time of the Economic Development and Planning Department.</p> <p>Increase in expenditure on publicity due to expenditure on publication of a guide, production of which was delayed in 2020/21 due to changing restrictions in order to manage the pandemic: £5,330 was set aside in an earmarked reserve in 2020/21 to fund this. An additional £2,750 is being spent on joint promotional activities which is being funded by contributions.</p>	<p>-11,050</p> <p>8,080</p>

## 7 CONCLUSION

7.1 The difference between the revised and original estimate is a decrease in net expenditure of £33,150 after allowing for transfers to and from earmarked reserve.

## 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 £20,330 or a decrease in net expenditure of £33,150 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  
ED1-22/HS/AC  
11 January 2022

DIRECTOR OF RESOURCES

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

<b>Cost Centre</b>	<b>Description</b>	<b>Original Estimate to End November</b>	<b>Actual and Commitments to the End November</b>	<b>Full Year Original Estimate</b>	<b>Proposed Revised Estimate</b>
<b>Service specific cost centres</b>					
ALBNM	Albion Mill	6,341	8,962	340	-520
INDDV	Economic Development	-4,100	4,071	191,210	175,200
TURSM	Tourism and Events	16,939	21,162	122,500	119,040
<b>Committee total before movements in earmarked reserves</b>		<b>19,180</b>	<b>34,195</b>	<b>314,050</b>	<b>293,720</b>
<b>Movements in Earmarked Reserves</b>					
EDBAL/H276	Promotions Activities Reserve	0	-5,330	0	-5,330
EDBAL/H386	Restoring Your Railways Reserve	0	-7,490	0	-7,490
<b>Subtotal Earmarked Reserves</b>			<b>-12,820</b>	<b>0</b>	<b>-12,820</b>
<b>Committee total after transfers from/ to earmarked reserves</b>		<b>19,180</b>	<b>21,375</b>	<b>314,050</b>	<b>280,900</b>