

**RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO ECONOMIC DEVELOPMENT COMMITTEE**

meeting date: 26 JANUARY 2023
title: REVISED REVENUE BUDGET 2022/23
submitted by: DIRECTOR OF RESOURCES
principal author: HELEN SEEDALL

1 PURPOSE

- 1.1 To agree a revised revenue budget for 2022/23 for this committee.

2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2022.
- 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 2021/22 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 2022/23 included provision for pay increases at 2% and price increases at 3%.
- 3.3 We now know that the Pay Award has been settled at £1,925 per full time employee. It is estimated that this will add £369k to the base budget above what was initially allowed.
- 3.4 The Consumer Prices Index (CPI) is the UK's key inflation statistic, designed to measure changes in the prices of things that consumers regularly purchase. Inflation is calculated by the Office for National Statistics (ONS), which constructs a statistical shopping basket consisting of the hundreds of goods and services bought by a 'typical' household.
- 3.5 The Budget Working Group considered a report earlier in the year which highlighted the impact of inflation on the Council base budget in the current year at that point in time. It has been assumed that these other inflationary costs will add a further £331k to the budget.
- 3.6 Taken together this extra inflation amounted to approx £700k across all committees. As this was an anticipated substantial increase to the current year's base budget, the Original Estimate has been adjusted to reflect this known inflationary increase. For this committee there was a small net decrease in the budget based on the movement of items within CPI. The Original Estimate 2022/23 is adjusted as shown below:

	Original Estimate 2022/23 £	Further In-Year Inflation £	Adjusted Original Estimate 2022/23 £
EXPENDITURE			
Employee Related	2,010	100	2,110
Premises Related	33,580	-460	33,120
Transport related	70	10	80
Supplies and Services	57,150	-750	56,400
Support Services	310,050		310,050
TOTAL EXPENDITURE	402,860	-1,100	401,760
INCOME			
Government Grants	-1,900		-1,900
Customer and Client Receipts	-43,070		-43,070
TOTAL INCOME	-44,970	0	-44,970
NET EXPENDITURE	357,890	-1,100	356,790

- 3.7 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.
- 3.8 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.
- 3.9 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.
- 3.10 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.
- 3.11 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 2022/23

- 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	Adjusted Original Estimate 2022/23	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2022/23
ALBNM: Albion Mill	340	-970	1,220	-2,220		-1,630
CFDFT: Clitheroe Food Festival 2022	0	45,910	-32,940			12,970
INDDV: Economic Development	239,290	10,730		-45,900		204,120

Cost Centre and Description	Adjusted Original Estimate 2022/23	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2022/23
TURSM: Tourism and Events	117,160	17,900	-10,180	9,080		133,960
Grand Total	356,790	73,570	-41,900	-39,040		349,420
Associated Movements in Earmarked Reserves						
EDBAL/H283: Clitheroe Food Festival Reserve	0	-8,530				-8,530
CPBAL/H330: Capital Reserve	0	-10,470				-10,470
Net After Movement in Earmarked Reserve	356,790	54,570	-41,900	-39,040	0	330,420

- 4.2 The difference between the revised and original estimate is a decrease in net expenditure of £7,370, or a decrease of £26,370 after allowing for movements on 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	Movement from Original Estimate 2022/23 to DRAFT Revised Estimate 2022/23
<p>CFDFT - Clitheroe Food Festival Transfer to this committee from Community Services the net cost of staging the Clitheroe Food Festival in 2022, comprising expenditure £45,910 and income £32,940, mainly generated from the rental of stalls and sponsorship of the event. Funding will be released towards the net cost from monies set aside in an earmarked reserve from previous years' surpluses from the food festival -£8,530.</p>	12,970
<p>INDDV - Economic Development Expenditure incurred in respect of consultants engaged to appraise the possible purchase of a piece of land along the A59 that was originally a capital project. However, as the purchase did not proceed, the consultancy work has been charged to the revenue account in line with accounting rules. The expenditure is being funded from a reserve set aside to fund the original capital project.</p>	10,470
<p>INDDV - Economic Development Decrease to support service costs mainly due to an expected reduction in staff time being spent in this area by Economic Development and Planning Services -£42,360 and Community Services -£6,390. The decrease being partly reduced by an increase in time spent by staff from the Chief Executives Department £2,360.</p>	-45,900
<p>TURSM - Tourism & Events Printing costs relating to the production of the Visitor Guide 2023, to be offset by income received from advertising in the guide.</p>	14,600
<p>TURSM - Tourism & Events Additional income to be generated from the sale of advertising in the 2023 Visitor Guide.</p>	-8,780

6 CONCLUSION

6.1 As mentioned in section 3 of the report, it was recognised earlier in the year that the council was facing significant increases in costs due to inflation and pay increases. For this committee there was a small net decrease in the budget based on the movement of items within CPI. The net reduction was £1,100. The Original Estimate was therefore restated from £357,890 to £356,790.

	Original Estimate 2022/23 £	Adjusted Original Estimate 2022/23 £	Revised Estimate 2022/23 £	Movement from Original to Adjusted Original Estimate £	Movement from Adjusted Original to Revised Estimate £	Total Movement from Original to Revised Estimate £
Net Expenditure	357,890	356,790	349,420	-1,100	-7,370	-8,470
Movement in Earmarked Reserves	0	0	-19,000	0	-19,000	-19,000
Net after Movement in Earmarked Reserves	357,890	356,790	330,420	-1,100	-26,370	-27,470

6.2 The difference between the Revised and Adjusted Original Estimate is a further decrease in net expenditure of £26,370 after allowing for transfers to and from earmarked reserves. This means that the total movement from the true Original Estimate to the Revised Estimate is a decrease of £8,470 or a decrease of £27,470 after movements in 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 a decrease in net expenditure of £27,470 after allowing for 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.

8 RECOMMENDED THAT COMMITTEE

8.1 Agree the revenue revised estimate for 2022/23.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

ED1-23/HS/AC

16 January 2023

For further background information please ask for Helen Seedall

BACKGROUND PAPERS - None

**COMMUNITY SERVICES COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2022/23**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
ALBNM: Albion Mill					
Decrease to support service costs mainly due to an expected reduction in staff time being spent in this area by Economic Development and Planning Services.				-2,220	
Total Clitheroe Food Festival					-2,220
CFDFT: Clitheroe Food Festival					
Transfer of expenditure on staging the Clitheroe Food Festival 2022 from Community Services committee to reflect it now being reported under Economic Development. Funding will be released towards the net cost from monies set aside from previous years' surpluses from the food festival -£8,530.	45,910				
Transfer of the income generated by the Clitheroe Food Festival 2022 from Community Services committee to reflect it now being reported under Economic Development.		-32,940			
Total Clitheroe Food Festival					12,970

**COMMUNITY SERVICES COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2022/23**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
<i>INDDV: Economic Development</i>					
Expenditure incurred in respect of consultants engaged to appraise the possible purchase of a piece of land along the A59 that was originally a capital project. However, as the purchase did not proceed, the consultancy work has been charged to the revenue account in line with accounting rules. The expenditure is being funded from a reserve set aside to fund the original capital project.	10,470				
Decrease to support service costs mainly due to an expected reduction in staff time being spent in this area by Economic Development and Planning Services.				-45,900	
<i>Total Economic Development</i>					-35,430
<i>TURSM: Tourism and Events</i>					
Increase in use of temporary staff to help with the additional work generated to promote tourism in Ribble Valley following the pandemic. This is funded by underspends in the postage budget.	2,000				
Reduction in use of postage: underspends to be used to support the increase in use of temporary staff and increase in expenditure on publicity.	-4,490				

COMMUNITY SERVICES COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2022/23

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
Increased expenditure on publicity costs including production of Walks with Taste pamphlets, Ribble Valley Tourism Association event and the Group Leisure and Travel Show event. Additional sponsorship income is expected to be received to cover this increased expenditure as mentioned below £3,300, along with underspends in postage £2,320.	5,620				
Printing cost of the 2023 Visitor Guide.	14,600				
Increase to support service costs mainly due to an expected increase in staff time being spent in this area by Resources Department.				9,080	
Additional income to be generated from the sale of advertising in the 2023 Visitor Guide.		-8,780			
Additional sponsorship income is expected to be received towards the Walks with Taste pamphlets (£1,275), Ribble Valley Tourism Association event (£1,000) and Group Leisure and Travel Show event (£1,025).		-3,300			
The Kickstart scheme that was used to fund work placements for young unemployed people for six months has ended, therefore funding is no longer being received.		1,900			
Total Tourism and Events					16,630

**COMMUNITY SERVICES COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2022/23**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN CAPITAL £	MOVEMENT IN SUPPORT SERVICES £	TOTAL MOVEMENT £
Other					680
Sub-Total					-7,370
MOVEMENT IN EARMARKED RESERVES					
EDBAL/H283: Clitheroe Food Festival Funding towards offsetting the deficit generated by the 2022 Clitheroe Food Festival from surplus monies set aside in the reserve from previous years.	-8,530				
CPBAL/H330: Capital To fund appraisal work carried out by consultants regarding the possible purchase of a piece of land along the A59 that was originally part of a capital project.	-10,470				
Total Movement in transfers to/from Earmarked Reserves	-19,000	0	0	0	-19,000
Total Movement					-26,370

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	21,107	19,979	790	-1,630
CFDFT	Clitheroe Food Festival 2022	0	0	0	12,970
INDDV	Economic Development	8,119	18,347	239,570	204,120
RHSSF	Reopening High Streets Safety Fund	0	254	0	0
TURSM	Tourism & Events	22,510	29,928	117,530	133,960
Committee Subtotal		51,736	68,508	357,890	349,420
Earmarked Reserves					
EDBAL/ H283	Clitheroe Food Festival	0	0	0	-8,530
CPBAL/ H330	Capital Reserve	0	-10,470	0	-10,470
Subtotal Earmarked Reserves		0	-10,470	0	-19,000
Total		51,736	58,038	357,890	330,420