

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: 19 OCTOBER 2023
 title: REVENUE MONITORING 2023/24
 submitted by: DIRECTOR OF RESOURCES AND DEPUTY CHIEF EXECUTIVE
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1 PURPOSE

1.1 To let you know the position for the period April 2023 to September 2023 of this year's original revenue budget as far as this committee is concerned.

1.2 Relevance to the Council's ambitions and priorities:

Community Objectives – none identified

Corporate Priorities - to continue to be a well managed Council providing efficient services based on identified customer need. To meet the objective within this priority, of maintaining critical financial management controls, ensuring the authority provides council tax payers with value for money.

Other Considerations – none identified.

2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period to the end of September. You will see an overall underspend of £20,157 on the net cost of services. Please note that underspends are denoted by figures with a minus symbol. After allowing for transfers to/from earmarked reserves there is an underspend of £30,256.

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance	
AONBS	Area of Outstanding Natural Beauty	18,710	0	0	0	G
BCFEE	Building Control Fee Earning	5,360	-106,045	-101,786	4,259	A
BCNON	Building Control Non Fee Earning	88,480	695	1,463	768	G
CONSV	Conservation Areas	7,930	0	0	0	G
COUNT	Countryside Management	61,750	17,211	15,547	-1,664	G
ECPLA	Economic Development and Planning Dept	0	709,302	653,649	-55,653	R
LPLAN	Local Plan	273,040	50,916	42,158	-8,758	R
PLANG	Planning Control & Enforcement	280,200	-245,996	-202,938	43,058	R
PLANP	Planning Policy	95,690	1,466	250	-1,216	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance	
PLSUB	Grants & Subscriptions - Planning	11,650	11,650	10,698	-952	G
	Sum:	842,810	439,199	419,042	-20,157	

Transfers to/from Earmarked Reserves					
	Building Regulation Reserve	-5,360	106,045	101,786	-4,259
	Local Plan Reserve	-101,780	-50,916	-56,755	-5,839
	Total after Transfers to/from Earmarked Reserves	735,670	494,328	464,072	-30,256

- 2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are potential areas of high concern and green variances are areas, which currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

- 2.3 We have then extracted the main variations for the items included in the red shaded cost centres and shown them with the budget holder's comments and agreed action plans, in Annex 1.
- 2.4 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.
- 2.5 In summary the main areas of variances that are **unlikely** to rectify themselves by the end of the financial year are shown below:

Description	Variance to the end September 2023 £
<p data-bbox="337 306 1193 365">Economic Development & Planning Department (ECPLA) Staffing Budgets</p> <p data-bbox="337 401 1193 554">Salary, National Insurance and Superannuation departmental budgets are underspent by £68k for the April to September period, partly because national pay negotiations are ongoing and partly because vacancy underspends are higher than the 4% turnover estimate built into the budgets.</p> <p data-bbox="337 590 1193 779">Whilst some of this variance will resolve following the completion of national pay negotiations and the payroll processing of any backpay due, the salary forecasts will need to be reviewed and updated at revised estimate to incorporate both vacancy underspends and the national pay award (that is expected to be around 2% higher than the 5% increase estimated in the budgets).</p> <p data-bbox="337 814 1193 873">These underspends are partially offset by overspends on recruitment advertising (£4k) and consultants (£7k after movements in reserve).</p>	<p data-bbox="1295 590 1393 617" style="text-align: center;">-67,972</p>

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £20,157 to September 2023 of the financial year 2023/24. After allowing for transfers to/from earmarked reserves there is an underspend of £30,256.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES
AND DEPUTY CHIEF EXECUTIVE

PD10-23/VT/AC
9 October 2023

Planning and Development Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant		
ECPLA/0100	Economic Development and Planning Dept/ Salaries	1,054,830	527,624	476,128	-51,496	The salary estimates assume a pay award of 5% for the 2023/24 financial year. As the pay award has yet to be agreed this is causing an underspend for the period. The remainder is caused by vacancy underspends that are higher than the 4% turnover estimate built into the budgets.	The variance will partially resolve later on in the financial year when pay negotiations are concluded and backpay has been processed. Turnover will continue to be monitored against the 4% allowed for within the budget estimates.		
ECPLA/0109	Economic Development and Planning Dept/ Superannuation Salaries	155,060	77,562	69,005	-8,557				
ECPLA/0108	Economic Development and Planning Dept/ National Insurance Salaries	104,980	52,510	44,591	-7,919				
ECPLA/3085	Economic Development and Planning Dept/ Consultants	0	0	21,000	21,000			The cost of engaging a consultant to work within the forward planning section during a period of understaffing in order to progress the local plan.	There is £14k set aside in reserves to partly fund the expenditure, with the remainder being met from associated vacancy underspends (above).
PLANG/3261	Planning Control & Enforcement/ Statutory Notices	28,380	14,824	6,371	-8,453			The frequency and size of planning application newspaper notices has reduced.	The estimate will be reviewed when the budgets are revised later on in the financial year.

Planning and Development Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
LPLAN/ 3085	Local Plan/ Consultants	97,780	48,908	42,158	-6,750	The cost of engaging consultants to produce the evidence based documents that are required to progress the local plan is lower than the budget available for the period. Actuals for the period include an order of £35k for the engagement of consultancy services to produce the Sustainability Appraisal and Habitats Regulation and expenditure of £6k for the Strategic Housing and Employment Land Availability assessment. It has been difficult to progress with procuring evidence because of recruitment issues in the Planning Policy Team.	The budget profile for the Local Plan Programme will be reviewed and updated at revised estimate.
ECPLA/ 8583z	Economic Development and Planning Dept/ Rechargeable Works (Non VATable)	0	0	-5,750	-5,750	Recovery of the cost of qualification training following termination of an employment contract.	The budget will be updated at revised estimate.

Planning and Development Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
BCFEE/ 8405n	Building Control Fee Earning/ Building Regulation Fees	-205,010	-110,786	-103,004	7,782	Building control fee income for the period is lower than estimated. This is likely due to inflation within the building industry that is impacting on the number of applications being received.	We will continue to monitor the level of building control fee income received, and will review the budget level to best reflect the latest forecasts at the time of the Revised Estimate.
PLANG/ 8404u	Planning Control & Enforcement/ Planning Fees	-540,000	-270,108	-226,601	43,507	Planning income levels fluctuate month to month and vary greatly depending on whether applications are received in respect of major developments. While it is still too early in the financial year to estimate if outturn will be lower than the estimate overall, it is possible that the continuing cost of living crisis will result in a reduction to the number of planning applications received as we move through the financial year.	We will continue to monitor the level of planning fee income received, and will review the budget level to best reflect the latest forecasts at the time of the Revised Estimate.
PLANG/ 8495n	Planning Control & Enforcement/ Pre Application Advice	-38,500	-19,256	-13,631	5,625		

Planning and Development Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance	Reason for Variance
COUNT/4678	Countryside Management/ Grants to Voluntary, Comm & Soc Ent Orgs	13,840	9,440	5,000	-4,440	The cost of grants awarded for countryside management grant assistance are lower than that allowed for in the budget. There is no formal countryside management grant scheme in place, with any requests for support being considered by this committee on an ad-hoc basis.
ECPLA/1020	Economic Development and Planning Dept/ Advertising	940	472	4,090	3,618	Expenditure on recruitment advertising during the period. To be funded from underspends within the direct employee cost budgets.