

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: 11 JANUARY 2024
title: REVISED REVENUE BUDGET 2023/24
submitted by: DIRECTOR OF RESOURCES & DEPUTY CHIEF EXECUTIVE
principal author: VALERIE TAYLOR

1 PURPOSE

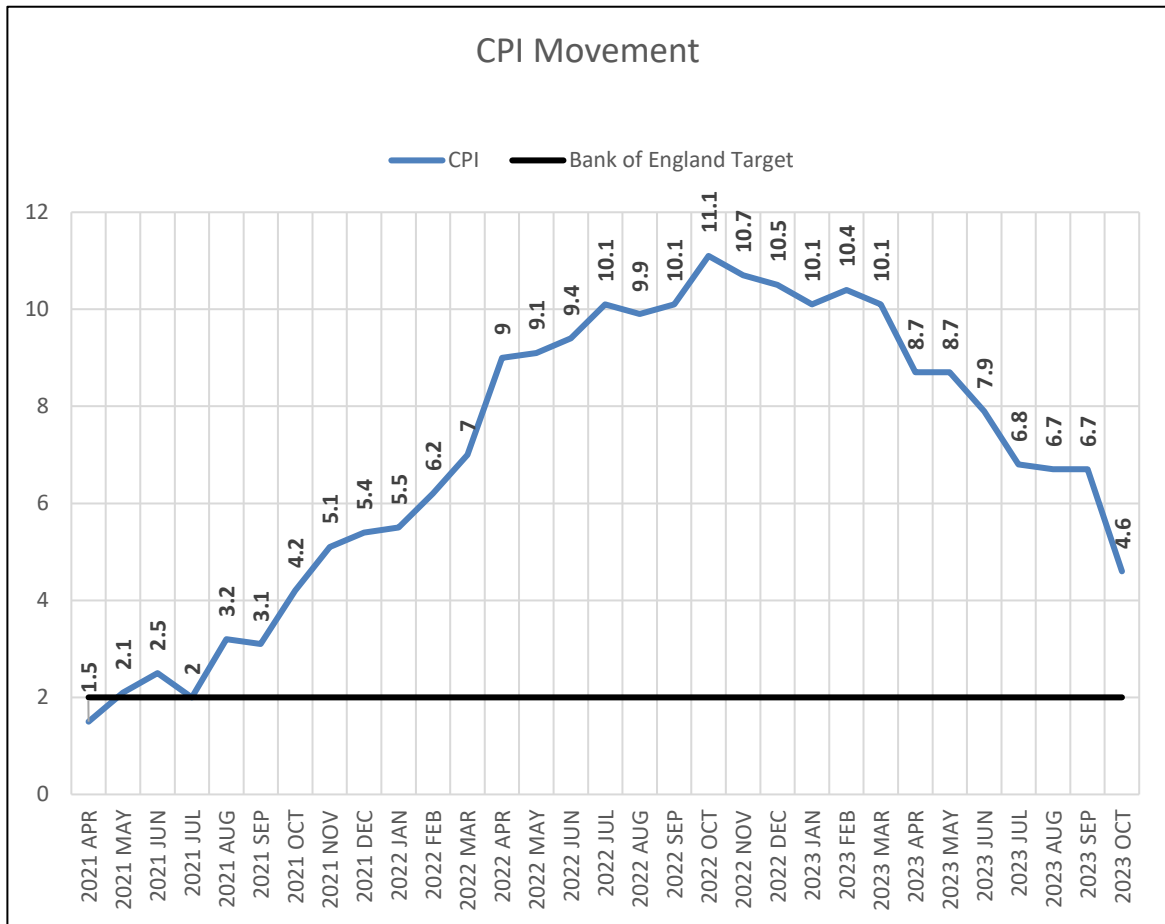
- 1.1 To agree a revised revenue budget for 2023/24 for this committee.

2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2023.
- 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 2022/23 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 When setting our budgets for the current year we were facing record levels of inflation at 10.1% in the 12 months to September 2022 when we started the process. We were also facing significantly higher utility costs for gas, electricity and fuel.
- 3.3 We decided to allow 5% for pay increases and price increase of 7.5% as we anticipated inflation would fall during the year.
- 3.4 The pay award for 2023/24 has now been settled at £1,925 per full time employee up to spinal column point 43, 3.88% for Heads of Service and 3.5% for Chief Officers. Overall the cost of the pay award for Ribble Valley was 6.5% which is around £170k above the 5% we had allowed for.
- 3.5 As mentioned we have experienced levels of inflation we have not seen for many years. The Consumer Price Index (CPI) fell to 6.7% in the 12 months to September 2023 and further to 4.6% in the twelve months to October 2023. Our revised estimates take into account the changes in the level in inflation that we have experienced so far and assumptions upto the end of March 2024. The graph below shows the movement in CPI since September 2022.



- 3.6 There have been detailed discussions with budget holders and heads of service on past service provision and future plans both playing an important part in the budget setting process.
- 3.7 Committee decisions during the year have also been incorporated into the budget setting process where appropriate.
- 3.8 The revised estimates for this committee are set out 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 2023/24

- 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 2023/24	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2023/24
AONBS: Area of Outstanding Natural Beauty	18,710	-610		530		18,630
BCFEE: Building Control Fee Earning	5,360	-5,960	29,580	-3,800		25,180

Cost Centre and Description	Original Estimate 2023/24	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2023/24
BCNON: Building Control Non Fee Earning	88,480	1,130	370	-19,960		70,020
CONSV: Conservation Areas	7,930			-6,580		1,350
COUNT: Countryside Management	61,750	3,180	-1,850	5,270		68,350
ECPLA: Economic Development and Planning Dept	0	-8,550	-5,750	14,300		0
LPLAN: Local Plan	273,040	-63,170		-27,190		182,680
PLANG: Planning Control & Enforcement	280,200	-50	44,040	7,380		331,570
PLANP: Planning Policy	95,690			-670		95,020
PLSUB: Grants & Subscriptions - Planning	11,650	-11,650				0
Grand Total	842,810	-85,680	66,390	-30,720		792,800
Associated Movements in Earmarked Reserves						
PLBAL/H234 Building Regulation Reserve	-5,360	5,960	-29,580	3,800		-25,180
PLBAL/H387: Local Plan Reserve	-101,780	48,570				-53,210
PLBAL/H336: Planning Reserve	0	-3,600				-3,600
PLBAL/H313: Biodiversity Net Gain Reserve	0	-8,450				-8,450
FNBAL/H326: Performance Reward Grant Reserve	0	-1,040				-1,040
Net After Movement in Earmarked Reserve	735,670	-44,240	36,810	-26,920	0	701,320

4.2 The difference between the revised and original estimate is a decrease in net expenditure of £50,010 or a decrease in net expenditure of £34,350 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	Movement from Original Estimate 2023/24 to DRAFT Revised Estimate 2023/24
<p><u>BCFEE: Building Control Fee Earning Account</u> Demand for building control services this year has been lower than originally forecast, and as a result the income estimates for the year have been decreased at the draft revised estimate.</p>	29,580
<p>The annual net surplus or deficit from the building control fee earning service is set aside in a separate earmarked reserve under charging regulations. At revised estimate 2023/24 it is forecast that the service will be in a deficit position, with a further £19k being released from the earmarked reserve to support the service than originally estimated.</p>	-19,820
<p><u>ECPLA: Economic Development and Planning Department</u> A full review of salary, national insurance and superannuation estimates has been undertaken at revised estimate. After adjusting for the 2023/24 pay award and departmental vacancy underspends the estimates have been reduced by £28k.</p>	-28,390
<p>Underspends above are partially offset by the cost of consultancy services that were engaged to help progress the new local plan following a prolonged vacancy in a key post during the previous financial year. This expenditure of £21k has been partially offset by release of funds previously set aside in earmarked reserves, leaving a net increase at revised estimate of £6k.</p>	6,400
<p><u>LPLAN: Local Plan</u> Funds estimated to be expended on supplies and services to progress the new local plan are now expected to be £63k lower than originally estimated for the 2023/24 financial year, with these costs now falling into a future financial year.</p>	-63,170
<p>The budget available to support expenditures on the new local plan is set aside in earmarked reserves. As costs this year are now expected to be lower than originally estimated this has in turn reduced the release from earmarked reserves.</p>	63,170
<p><u>PLANG: Planning Control & Enforcement</u> Reduction to estimated planning application fee income for the year. This is after accounting for the minimum 25% increase in planning application fees that is to be implemented from 6th December 2023 (see December 2023 report to this committee for further information).</p>	31,000

Description	Movement from Original Estimate 2023/24 to DRAFT Revised Estimate 2023/24
Demand for Pre-application advice is lower than that originally estimated.	12,650
Estimated consultancy costs for specialist Heritage Advice (approved by this Committee April 2023) and ecology advice for delivery of mandatory Biodiversity Net Gain (approved by this Committee December 2023).	10,040
Estimated release of Biodiversity Net Gain (BNG) new burdens grant funding that was received and set aside in earmarked reserves last financial year. This is to fund the cost of ecology advisors (above) and internal staffing costs for time spent preparing for the introduction of BNG.	-8,450
The planning section has generated savings on the cost of statutory planning notices by reducing both the size and frequency of newspaper notices.	-16,120
<u>Net support charges</u> Net reduction to estimated support charges at the draft revised estimate.	-30,720

6 CONCLUSION

6.1 The difference between the Revised and Original Estimate is a decrease in net expenditure of £34,350 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: The total movement from the Original Estimate to the Revised Estimate is a decrease of £50,010, or £34,350 after movements in 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 2023/24.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES
AND DEPUTY CHIEF EXECUTIVE

PD1-24/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 2023/24

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
AONBS: Area of Outstanding Natural Beauty					
Reduction to the estimated cost of the annual contribution towards the Forest of Bowland AONB Partnership.	-610				
Increase in support service recharge from the Economic Development and Planning department.			590		
Total Area of Outstanding Natural Beauty	-610	0	590	0	-20
BCFEE: Building Control Fee Earning Account					
Net movement of a share of the building control fee earning budget that is now to be charged to non-fee earning activities under cost centre BCNON. This is to ensure that those costs charged to the fee earning account under this cost centre are allocated per the estimated time spent under each area in order to comply with building control charging regulations.	-2,790				
Reduction to the estimated cost of tuition fees expected to be expended during the 2023/24 financial year due to a vacancy within the section.	-1,880				
The cost of mileage claims during the year is lower than the budget available	-1,460				
Expenditure on the authorised refund of building control fees at the date of the review.	1,350				
The budget for promotional activities is not expected to be required this financial year.	-700				
Net decrease in support service costs due to changes in cost allocations from the ICT, Chief Executives, Resources and Economic Development & Planning Departments.			-3,800		
Demand for building control services during the year is lower than originally estimated, this is likely due to impact of the cost of living crisis and inflation within the building control industry. The level of estimated income to be received has been reduced by 15% in line with the variance for the period to November.		30,750			

PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2023/24

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Higher demand for non-vatable building control services (where there is no private sector competition) increasing the estimate for the year.		-1,170			
Total Building Control Fee Earning A/c	-5,480	29,580	-3,800	0	20,300
BCNON: Building Control Non Fee Earning Account					
Share of building control fee earning budget now to be accounted for under this cost centre following review (see BCFEE),	2,790				
Reduction in various estimated expenditure budgets, particularly tuition fees (-£700) and mileage allowances (-£540) for the reasons set out at BCFEE.	-1,660				
Net decrease in support service costs due to changes in cost allocations from the ICT, Chief Executives, Resources and Economic Development and Planning Departments.			-19,960		
Total Building Control Non Fee Earning A/c	1,130	0	-19,960	0	-18,830
CSERV: Conservation Areas					
Decrease in support service costs due to changes in cost allocations from the Economic Development and Planning Department.			-6,420		
Total Countryside Management	0	0	-6,420	0	-6,420
COUNT: Countryside Management					
Release of S106 funds showing as income and associated expenditure to pay for the cost of footpath flood mitigation measures at Whalley community woodland, Calderstones.	1,850	-1,850			
Expenditure to replace vandalised Queen's Platinum Jubilee trees. To be funded from remaining funds available for the project in the Performance Reward Grant reserve.	1,040				
Net increase in support service costs due to changes in cost allocations from the Community Services, Chief Executives, Resources and Economic Development and Planning Departments.			5,270		
Total Countryside Management	2,890	-1,850	5,270	0	6,310
ECPLA: Economic Development and Planning Dept					

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2023/24**

ANNEX 1

	MOVEMENT IN EXPENDITURE	MOVEMENT IN INCOME	MOVEMENT IN SUPPORT SERVICES	MOVEMENT IN CAPITAL	TOTAL MOVEMENT
	£	£	£	£	£
A full review of salary estimates has been undertaken to account for the 2023/24 pay award and departmental vacancy underspends. This has reduced estimated expenditure for the year at revised estimate by £18k.	-18,100				
Net decrease to employer national insurance and superannuation estimates following review of spend to date and vacant posts.	-10,290				
Expenditure on consultancy services towards the beginning of the financial year to help progress the local plan following a prolonged vacancy during the previous year. £14k of the expenditure has been met from associated vacancy underspends that were set aside in the local plan earmarked reserve last year, with the remainder being funded from current year underspends on the associated vacant post.	21,000				
Expenditure on recruitment advertising for vacant posts this financial year above that at original estimate.	3,150				
Mileage claims are lower than that allowed for at original estimate.	-3,360				
The annual cost of the Geographical Information Service (Mapzone) which is used by all departments is now to be shared across those departments rather than being charged in full to the planning section.	2,670				
The estimated cost of lease cars within the department is lower than the budget following termination of a lease contract.	-3,000				
Photocopying costs within the section are lower than estimated, likely due to office/homeworking hybrid work arrangements.	-1,000				
Recovery of the cost of qualification training following termination of an employment contract.		-5,750			

PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2023/24

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Net decrease in support service costs due to changes in cost allocations from council premises and the ICT, Community Services, Chief Executives and Resources Departments.			-12,440		
A decrease to the net cost of the department overall as a result of the reasons listed above has in turn decreased the recharges out to other service areas.			26,740		
Total: Economic Development and Planning Department	-8,930	-5,750	14,300	0	-380
LPLAN: Local Plan					
Reduction to estimated expenditures on the local plan from original to draft revised estimate 2023/24. This is caused by the timing of local plan expenditures that will now fall into a future financial year, mainly within the budget that is available for consultancy support. Funds for the local plan budget are to be expended over the lifetime of the project and have therefore previously been set aside in earmarked reserves to be released in the financial year (s) that expenditures occur. After accounting for associated movements in earmarked reserves there is a net variance of nil.	-63,170				
Decrease in support service cost allocation from the Economic Development and Planning Department.			-26,860		
Total: Local Plan	-63,170	0	-26,860	0	-90,030
PLANG: Planning Control & Enforcement					
Reduction to the annual estimated cost of scanning services following review of likely requirements to the end of the year.	-1,000				
The annual cost of the Geographical Information Service (Mapzone) which is used by all departments is now to be shared across those departments rather than being charged in full to the planning section.	-8,840				

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2023/24**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
New subscription to Building Cost Information Services online to enable access to price indices that are needed to index S106 agreement funds (to be recovered from S106 agreement fees)	1,640				
Increase to the annual estimated cost of consultancy services for the planning section: - £3.6k increase to appeal/enforcement costs for which the base budget is available (to be funded from the planning earmarked reserve) - £7.8k for the estimated cost of Heritage Advice services for the 2023/24 financial year following replacement of two vacant Principal Planning Officer posts with Senior Planning Officers (approved by this Committee April 2023). - £10.7k for the cost of Archaeological advice services (previously charged to PLSUB cost centre) - £2.2k for the estimated cost of specialist ecology advisors to support the council in delivering the mandatory Biodiversity Net Gain requirement that is expected to commence in January 2024 (as reported to this committee in December 2023). The cost of these services for the current financial year is to be met from new burdens grant funding.	24,350				
The section has generated savings on the cost of statutory planning notices by reducing both the size and frequency of newspaper notices.	-16,120				
Net decrease in support service costs from the Chief Executives Department of -£19k that has been more than offset by an increase in costs from the Economic Development and Planning Department of £25k.			6,670		

**PLANNING AND DEVELOPMENT COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2023/24**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
The estimated income to be generated from planning fees has been reduced at the draft revised estimate. Income generated to the time of the review was £57k lower than that originally estimated. The budget then assumes that income for the period November to March will be in line with the last financial year and builds in an inflation rate of 25% to account for the minimum increase in fees that is to be implemented nationally from December 2023 (see December 2023 report to this committee for further information concerning the fee increases).		31,000			
There has been lower demand for the pre-application advice service than the original estimate.		12,650			
Total Planning Control & Enforcement	30	43,650	6,670	0	50,350
PLANP: Planning Policy					
Net decrease in support service costs due to changes in cost allocations from the Community Services, Economic Development and Planning, Chief Executives and Resources Departments.			-670		
Total Planning Policy			-670		-670
PLSUB: Grants and subscriptions planning					
This budget was for the cost of Archaeological Advice Services for the planning section that has now been brought under the Planning Control & Enforcement cost centre (PLANG)	-11,650				
Total Grants and Subscriptions planning	-11,650				-11,650
Other	110	760	160		1,030
Sub-total	-85,680	66,390	-30,720		-50,010
MOVEMENT IN EARMARKED RESERVES					
PLBAL/H336 Planning Reserve					
Spend on consultants/ legal advice for planning appeals and enforcement matters is higher than originally estimated. The increase in the draft budget at revised estimated is to be funded from the planning reserve.	-3,600				-3,600
PLBAL/H313 Biodiversity Net Gain Reserve					

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 £
Release of new burdens grant funding received during the 2022/23 financial year to be expended on the estimated cost of preparing for and implementing mandatory Biodiversity Net Gain during 2023/24.	-8,450				-8,450
PLBAL/H234 Building Regulation Reserve					
Under charging regulations any surplus/ deficit from building control fee charging activities is held in a separate earmarked reserve. Revisions to draft estimates for 2023/24 have therefore impacted on the anticipated movements in reserve (see BCFEE).	5,960	-29,580	3,800		-19,820
PLBAL/H326 Performance Reward Grant					
Release from reserves to pay for the replacement of vandalised Queen's Platinum Jubilee trees (COUNT).	-1,040				-1,040
PLBAL/H387 Local Plan Reserve					
The reduction to estimated expenditures on the new local plan for the reasons set out at LPLAN has in turn decreased the estimated release from earmarked reserves to support current year expenditures.	63,170				63,170
Release of funds set aside in earmarked reserves to contribute towards the cost of a consultant that was engaged during the year to help progress the local plan (see ECPLA).	-14,600				-14,600
Total Movement in Earmarked Reserves	41,440	-29,580	3,800		15,660
Total Movement	-44,240	36,810	-26,920		-34,350

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	0	0	18,710	18,630
BCFEE	Building Control Fee Earning A/c	-138,020	-120,149	5,360	25,180
BCNON	Building Control Non Fee Earning A/c	4,668	1,457	88,480	70,020
CONSV	Conservation Areas	0	0	7,930	1,350
COUNT	Countryside Management	20,283	18,179	61,750	68,350
ECPLA	Economic Development & Planning Dept	916,172	877,784	0	0
LPLAN	Local Plan	67,872	66,083	273,040	182,680
PLANG	Planning Control & Enforcement	-332,749	-253,775	280,200	331,570
PLANP	Planning Policy	1,954	250	95,690	95,020
PLSUB	Grants & Subscriptions-Planning	11,650	10,698	11,650	0
Committee Subtotal		551,830	600,527	842,810	792,800
Earmarked Reserves					
PLBAL/H234	Building Regulation Reserve	138,020	120,149	-5,360	-25,180
PLBAL/H387	Local Plan Reserve	-67,872	-80,680	-101,780	-53,210
PLBAL/H336	Planning Reserve	0	-1,410	0	-3,600
PLBAL/H313	Biodiversity Net Gain Reserve	0	-3,080	0	-8,450
FNBAL/H326	Performance Reward Grant Reserve	0	-1,040	0	-1,040
Subtotal Earmarked Reserves		70,148	33,939	-107,140	-91,480
Total		621,978	634,466	735,670	701,320