

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No 7

meeting date: 31 AUGUST 2017  
 title: REVENUE OUTTURN 2016/17  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: TRUDY HOLDERNESS

## 1 PURPOSE

1.1 To report on the outturn for the financial year 2016/17 in respect of the Revenue Budget for this Committee

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 and meets 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 BACKGROUND

2.1 Our full Statement of Accounts was signed off for audit by the Director of Resources on 31 May 2017 and that audit has now been completed.

2.2 The 2017/18 financial year will be the first where we are required to meet the new deadlines for release of our Statement of Accounts for external audit by the 31 May and approval following audit by 31 July. We undertook to meet this deadline a year earlier and successfully published our Statement of Accounts (subject to audit) for 2016/17 on our website on 1 June.

2.3 Our final audited Statement of Accounts were approved by Accounts and Audit Committee at their meeting on 26 July 2017.

## 3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of **£127,693** on the net cost of services. After transfers to and from earmarked reserves, the overall underspend is **£55,099**. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate 2016/17 £	Actual 2016/17 £	Variation £	Associated Earmarked Reserves Variance £	Net Variance £
PLANG	Planning Control & Enforcement	148,680	108,034	-40,646	-4,119	-44,765
PLANP	Planning Policy	164,570	124,992	-39,578	40,495	917
LDEVE	Local Development Scheme	41,240	24,796	-16,444	16,403	-41
BCSAP	Building Control SAP Fees	-300	1,476	1,776	0	1,776

Cost Centre	Cost Centre Name	Revised Estimate 2016/17 £	Actual 2016/17 £	Variation £	Associated Earmarked Reserves Variance £	Net Variance £
BCFEE	Building Control – Fee Earning	-52,710	-61,175	-8,465	8,465	0
BCNON	Building Control – Non Fee Earning	53,960	51,238	-2,722	0	-2,722
CINTR	Clitheroe Integrated Transport Scheme	7,220	7,228	8	0	8
CONSV	Conservation Areas	13,160	13,261	101	0	101
AONBS	Area of Outstanding Natural Beauty	16,120	16,191	71	0	71
COMMG	Community Groups	42,830	39,235	-3,595	0	-3,595
COUNT	Countryside Management	47,700	40,876	-6,824	0	-6,824
FPATH	Footpaths & Bridleways	6,800	6,775	-25	0	-25
PENDU	Pendle Hill Users	-200	-11,550	-11,350	11,350	0
PLSUB	Grants and Subscriptions	3,500	3,500	0	0	0
<b>NET COST OF SERVICES</b>		<b>492,570</b>	<b>364,877</b>	<b>-127,693</b>	<b>72,594</b>	<b>-55,099</b>

#### 4 EARMARKED RESERVES

4.1 Reserves are important to local authorities as, unlike central government, we cannot borrow money over the medium term, other than for investment in assets, and we are required to balance our budgets on an annual basis.

4.2 Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies. This also forms part of general reserves;
- A means of building up funds or accounting for funds we are committed to spend (re grants) received, this is done through our earmarked reserves to meet known or predicted requirements; our earmarked reserves are accounted for separately but remain legally part of the General Fund.

4.3 The table below provides details of the revised estimate, our actual outturn and the impact in both cases of the movement in earmarked reserves. Full details are provided of the earmarked reserves that have been impacted and the reason for the movement.

	Revised Estimate 2016/17 £	Outturn £	Variance £	Reason for Movement on Earmarked Reserve
<b>Committee Net Cost of Services</b>	492,570	364,877	-127,693	
<b>PLBAL/H336 Planning Reserve</b>  The reserve was established from planning fee income. Its purpose is to fund future potential planning issues.	-3,830	-7,949	-4,119	Professional fees for pre-hearing conferences and attendance at the hearing were incurred on the Malt Kiln Brow, Chipping appeal. The increase in the cost of the appeal has resulted in an increase in the contribution from the planning reserve.
<b>PLBAL/H284 Neighbourhood Planning Reserve</b>  On submission of a neighbourhood plan the council receives a contribution from the Department for Communities and Local Government (DCLG) to further the plan. These contributions have been set aside in a reserve to fund associated future expenditure.	-5,000	0	5,000	An anticipated neighbourhood planning referendum for Bolton & Bowland & Gisburn Parish Council did not take place, which resulted in no contribution being taken from earmarked reserves. This now remains set aside until needed
<b>PLBAL/H287 Planning Policy Reserve</b>  Reserve established from grants from DCLG to fund the establishment of three planning registers. Register of self-build & custom housebuilding / register of suitable serviced plots of land to meet demands of self-build / register of brownfield sites	0	35,495	35,495	To comply with new building and planning regulations. The Department for Communities & Local Government provided Ribble Valley with three new grants; these were received late in the financial year, and after the revised estimate was approved. These were added to an earmarked reserve to fund future expenditure.
<b>PLBAL/H358 Local Development Reserve</b>  The core strategy reserve was established to fund the cost of producing the core strategy for the council. Once produced and approved by the planning inspectorate and adopted by council the remaining funds were earmarked for developing a local development plan. Resources from the planning reserve were also earmarked to top up the reserve	-37,180	-20,777	16,403	Delays in type setting work, postages and examination costs resulted in a decrease in the contribution needed from reserves to fund expenditure.

	Revised Estimate 2016/17 £	Outturn £	Variance £	Reason for Movement on Earmarked Reserve
<b>PLBAL/H234 Building Regulation Reserve</b>  The fee earning element of the Building control services is statutorily ring fenced. Any surplus or deficit is set aside in an earmarked reserve to offset past surpluses or deficits	52,710	61,175	8,465	Increase in building regulation income from a backlog of invoices being issued offset by an increase in expenditure mostly from consultancy, resulting in an increase in the contribution to reserves.
<b>PLBAL/H273 Pendle Hill User Reserve</b>  The reserve was established from contributions from visitors to help fund the upkeep of the hill.	200	11,550	11,350	A large contribution was received from Pendle Hill management fund to fund future Pendle Landscape schemes, This will be added to reserves to fund expenditure on these schemes
<b>Committee Net Cost of Services After Movements on Earmarked Reserves</b>	<b>499,470</b>	<b>444,371</b>	<b>-55,099</b>	

## 5 KEY MOVEMENTS FROM REVISED ESTIMATE TO OUTTURN

5.1 The main variations have been extracted, and are shown with the Budget Holder's comments at Annex 1. However, a summary of the major variations is set out in the table below.

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
<b>PLANG</b> Planning Control & Enforcement	In 2015/16 the Homes & Communities Agency awarded Ribble Valley a grant in support of phase 1 of Standen planning application. To date only part of the grant has been used.	-6,913
	The cost of software maintenance support for the national Land & Property Gazetteer has been charged to Community Services Department as the system is now used by staff within that department due to some changes in staff duties.	-3,790
	Above average income from planning application fees for the period December to March after approval of the revised estimate. However, this is partly offset by a reduction in pre application advice.	-30,979

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
<b>PLANP</b> Planning Policy	Budget provision made for cost of potential neighbourhood planning referendum for Bolton by Bowland & Gisburn Parish Council. This did not take place resulting in an underspend. This expenditure was to be funded from an earmarked reserve but the contribution will now remain in earmarked reserves until needed.	-5,000
	To comply with the self-build and custom housebuilding regulations and the Town and Country Planning Regulations 2017, Certain authorities are required to maintain a register of self- build and custom house building. They must also give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. In addition they must maintain a register of brownfield land sites. To assist with the additional cost involved in these requirements three new grants were received from the Department for Communities and Local Government at the end of 2016/17. The income has been set-aside in an earmarked reserve to fund future expenditure	-35,495
<b>LDEVE</b> Local Development Scheme	A budget was established when revised estimates were approved for type-setting work, additional postages costs and examination costs. Delays resulted in these provisions remaining unspent. The expenditure was to be met from earmarked reserves but the contribution is not required at present, and so will remain in earmarked reserves.	-16,402
<b>BCFEE</b> Building Control Fee Earning Account	There was an increase in level of income received in 2016/17. This additional income has been added to earmarked reserves in line with regulations regarding this.	-9,724

## 6 CONCLUSION

- 6.1 There have been a number of variations in both income and expenditure during the year, and this has given rise to an overall underspending of **£127,693** on the net cost of services. After transfers to and from earmarked reserves the overall underspend is **£55,099**.

SENIOR ACCOUNTANT  
PD6-17/TH/AC  
16 August 2017

DIRECTOR OF RESOURCES

### BACKGROUND PAPERS

*Revised Estimates approved by Committee on 12 January 2017  
Planning and Development Closedown 2016/17*

For further information please ask for Trudy Holderness.

**PLANNING & DEVELOPMENT COMMITTEE  
– VARIANCES 2016/17**

	Variance in Expenditure	Variance in Income	Variance in Support Services	Total Variance	Associated Earmarked Reserves Variance	Net Variance
	£	£	£	£	£	£
<b>PLANG: Planning Control &amp; Enforcement</b>						
In 2015/16 the Homes & Communities Agency awarded Ribble Valley a grant in support of phase 1 of Standen planning application. To date only part of the grant has been used.	-6,913					
The cost of software maintenance support for the National Land and Property Gazetteer has been charged to the Community Services Department as the system is now used by staff in that department, due to some changes in staff duties.	-3,790					
Reduction in expenditure on agricultural consultants mainly due to change in supplier of information.	-2,137					
Local plan costs and Ordnance survey costs have fallen below anticipated expenditure.	-5,153					
Professional fees for pre-hearing conferences and attendance at the hearing were incurred in relation to costs associated with the Malt Kiln Brow, Chipping appeal. Any increase in the cost of appeals results in an increase in the contribution required from the planning earmarked reserve.	4,119				-4,119	

	Variance in Expenditure	Variance in Income	Variance in Support Services	Total Variance	Associated Earmarked Reserves Variance	Net Variance
	£	£	£	£	£	£
Income above that allowed for in the revised estimate was received in the period December to March. However this is partly offset by a reduction in pre application advice.		-30,979				
Reduction in support costs mainly from Community Services Department and Legal Services. This was due to a reduction in net expenditure within those services			4,980			
<b>Total Planning Control &amp; Enforcement</b>				<b>-39,873</b>	<b>-4,119</b>	<b>-43,992</b>
<b>PLANP: Planning Policy</b>						
Budget provision made for cost of potential neighbourhood planning referendum for Bolton By Bowland & Gisburn Parish Council. This did not take place resulting in an under spend. No funding required from earmarked reserve in year.	-5,000				5,000	
To comply with the self-build and custom housebuilding regulations 2016 certain authorities are required to maintain a register of self-build and custom housebuilding. They must also give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. In addition they must also maintain a register of brownfield land sites considered to be appropriate for residential development in accordance with the Town and Country Planning (Brownfield Land Register) Regulations 2017. To assist the additional cost involved in these requirements Ribble Valley received three new grants at the end of the 2016/17 financial year from Department for Communities and Local Government. An earmarked reserve has been established to fund future expenditure.		-35,495			<b>35,495</b>	

	Variance in Expenditure	Variance in Income	Variance in Support Services	Total Variance	Associated Earmarked Reserves Variance	Net Variance
	£	£	£	£	£	£
Increase in support costs mainly from Chief Executives Department due to an increase within the net expenditure in this service.			917			
<b>Total Planning Policy</b>				<b>-39,578</b>	<b>40,595</b>	<b>-1,017</b>
<b>LDEVE: Local Development Scheme</b>						
A budget was established when revised estimate were approved for type-setting work, additional postage costs and examination costs. Delays resulted in these provisions remaining unspent. The expenditure was to be met from earmarked reserves, therefore this will now remain in earmarked reserves	-16,402				16,402	
<b>Total Local Development Scheme</b>				<b>-16,402</b>	<b>16,402</b>	<b>0</b>
<b>BCSAP: Building Control SAP Fees</b>						
SAP fees received were below that allowed for in the revised estimate.		1,120				
Increase in support costs mainly from Financial Services due to an increase in net expenditure in this service.			757			
<b>Total Building Control SAP Fees</b>				<b>1,877</b>	<b>0</b>	<b>1,877</b>
<b>BCFEE: Building Control Fee Earning Account</b>						
Reduced expenditure on scanning documents as a lower volume was sent for scanning due to staff vacancies within the year.	-2,170					
Support of the Northgate MVM System no longer required due to system upgraded to m3 engage.	-2,417					
External consultants used to cover staff vacancies within the building control service.	4,644					



	Variance in Expenditure	Variance in Income	Variance in Support Services	Total Variance	Associated Earmarked Reserves Variance	Net Variance
	£	£	£	£	£	£
Increase in support costs mainly from the Chief Executives Department due to an increase in net expenditure in this service.			1,259			
There was an increase in level of income received in 2016/17. This additional income has been added to earmarked reserves in line with regulations regarding this		-9,724				
Increase in contribution to earmarked reserve due to decrease in net expenditure in the service					8,465	
<b>Total Building Control Fee Earning Account</b>				<b>-8,408</b>	<b>8,465</b>	<b>57</b>
<b>BCNON: Building Control Non Fee Earning Account</b>						
Support of the Northgate MVM System no longer required due to system upgraded to m3 engage.	-2,407					
<b>Total Building Control Non Fee Earning Account</b>				<b>-2,407</b>	<b>0</b>	<b>-2,407</b>
<b>COMMG: Community Groups</b>						
Due to time and staff constraints there was a reduction in grants awarded to Community Groups	-3,790					
<b>Total Community Groups</b>				<b>-3,790</b>	<b>0</b>	<b>-3,790</b>
<b>COUNT: Countryside Management</b>						
Less expenditure on equipment for countryside activities than was anticipated	-4,941					
Due to time and staff constraints there was a reduction in grants awarded.	-3,440					
<b>Total Countryside Management</b>				<b>-8,381</b>	<b>0</b>	<b>-8,381</b>

	Variance in Expenditure	Variance in Income	Variance in Support Services	Total Variance	Associated Earmarked Reserves Variance	Net Variance
	£	£	£	£	£	£
<b>PENDU: Pendle User Group</b>						
Expenditure on ground work to improve the environment and visitor management. Also upgrading of gates on major routes carried out by Sabden Parish Council on behalf of the Pendle Hill Landscape Partnership.	2,650				-2,650	
A large contribution was made from Pendle Hill Management Fund to help fund future Pendle Landscape schemes.		-14,000			14,000	
<b>Total Pendle Hill Users</b>				<b>-11,350</b>	<b>11,350</b>	<b>0</b>
<b>Other</b>	-2,522	2,747	395	619	1	620
<b>Total Variances for Planning &amp; Development Committee</b>	<b>-49,669</b>	<b>-86,331</b>	<b>8,308</b>	<b>-10,731</b>	<b>72,594</b>	<b>-55,099</b>