

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No 8

meeting date: 6 SEPTEMBER 2018
 title: REVENUE OUTTURN 2017/18
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To report on the outturn for the financial year 2017/18 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 2018 and that audit has now been completed.

2.2 The 2017/18 financial year was 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 also matched these new deadlines in last year's closedown process in preparation for this year's new requirements.

2.3 Our final audited Statement of Accounts was approved by Accounts and Audit Committee at their meeting on 25 July 2018.

3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £161,225 on the net cost of services. After transfers to and from earmarked reserves, the overall underspend is £106,116. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate 2017/18 £	Actual 2017/18 £	Variance 2017/18 £	Associated Earmarked Reserves Variance £	Net Variance 2017/18 £
PLANG	Planning Control & Enforcement	233,780	128,631	-105,149	0	-105,149
PLANP	Planning Policy	90,780	54,487	-36,293	31,774	-4,519
LDEVE	Local Development Scheme	118,230	100,810	-17,420	16,576	-844

Cost Centre	Cost Centre Name	Revised Estimate 2017/18	Actual 2017/18	Variance 2017/18	Associated Earmarked Reserves Variance	Net Variance 2017/18
		£	£	£	£	£
BCSAP	Building Control SAP Fees	210	360	150	0	150
BCFEE	Building Control – Fee Earning	-11,510	-2,673	8,837	-8,837	0
BCNON	Building Control – Non Fee Earning	56,090	56,249	159	0	159
CINTR	Clitheroe Integrated Transport Scheme	7,160	7,156	-4	0	-4
CONSV	Conservation Areas	12,190	12,132	-58	0	-58
AONBS	Area of Outstanding Natural Beauty	15,910	15,765	-145	0	-145
ECDEV	Economic Development Department	0	0	0	15,595	15,595
COUNT	Countryside Management	52,360	41,431	-10,929	0	-10,929
FPATH	Footpaths & Bridleways	5,820	5,448	-372	0	-372
PENDU	Pendle Hill Users	-440	-441	-1	1	0
PLSUB	Grants and Subscriptions	5,250	5,250	0	0	0
NET COST OF SERVICES		585,830	424,605	-161,225	55,109	-106,116

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, such as grant income we have received in year but not yet spent in full. 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 2017/18 £	Outturn 2017/18 £	Variance £	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	585,830	424,605	-161,225	
<p>PLBAL/H336 Planning Reserve The reserve was initially established from planning fee income. Its purpose is to fund future potential planning issues.</p> <p>In recent years resources have been earmarked within the reserve to fund the production of a Local Development Plan.</p>	-40,140	-23,565	16,575	Delays in the examination stage of developing the Local Development Plan have resulted in a reduced contribution being needed from reserves for in year expenditure.
<p>PLBAL/H284 Neighbourhood Planning Reserve On submission of a neighbourhood plan the council receives a contribution from Ministry of Housing Communities and Local Government (MHCLG) to further the plan. These contributions were set aside in a reserve to fund associated future expenditure.</p>	-4,930	-4,931	-1	During the year an examination of the Bolton By Bowland and Gisburn Forest neighbourhood plan took place, the cost of which was funded from the earmarked reserve established for this purpose.
<p>PLBAL/H373 Self-build & Custom Housebuilding Reserve Grant funding towards maintenance of a register of individuals, and associations of individuals, seeking to acquire service plots of land in the area</p>	0	30,000	30,000	Further grant received in the 2017/18 financial year has been set aside in this earmarked reserve for future use. This has been added to the existing balance previously received.
<p>PLBAL/H374 Brownfield Sites Reserve Grant funding towards the preparation and maintenance of a register of brownfield sites suitable for residential development</p>	0	1,775	1,775	Further grant received in the 2017/18 financial year has been set aside in this earmarked reserve for future use. This has been added to the existing balance previously received.

	Revised Estimate 2017/18 £	Outturn 2017/18 £	Variance £	Reason for Movement on Earmarked Reserve
FNBAL/H334 Restructuring Reserve A restructuring reserve was established to fund any restructuring reviews	-35,820	-20,224	15,596	The full budget provided for in the revised budget in respect of the new department and Director was not required in year. This also resulted in a lower level of resources being needed from the Restructuring Earmarked Reserve.
PLBAL/H234 Building Regulation Reserve The fee earning element of the Building control services is statutorily ringed fenced. Any surplus or deficit is set aside in an earmarked reserve to offset past surpluses or deficits.	11,510	2,673	-8,837	Reduced building regulation income has resulted in a lower contribution to the earmarked reserve than was planned.
PLBAL/H273 Pendle Hill User Reserve The reserve was established from contributions from visitors to help fund the future upkeep of Pendle Hill.	440	441	1	A small contribution was received from visitors during the year and this has been added to the earmarked reserve to fund future upkeep of Pendle Hill.
Committee Net Cost of Services After Movements on Earmarked Reserves	516,890	410,774	-106,116	

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 £
PLANG Planning Control	Income levels from planning applications and pre-application advice fluctuate during the year and from year to year making it difficult to predict. This is evidenced in the actual planning application income for 2017/18 when towards the end of the financial year payment for two large applications was received	-80,830

Service Area	Description of Variance	Amount £
<p>PLANP Planning Policy</p>	<p>The Self Build and Custom Housebuilding Act 2015 places a duty on councils to keep a register of people and community groups who are interested in self build or custom build projects in their area. In the past two years the DCLG has provided grant funding the latest being received at the end of March 2018.</p> <p>This grant has been set aside in order to meet future expenditure when it is incurred.</p>	<p>-31,775</p>
<p>LDEVE Local Development Plan</p>	<p>Budget provisions were established at the revised estimate for in respect of the local development plan. Delays resulted in the budget remaining unspent. This also resulted in less resources then being needed from earmarked reserves in respect of this expenditure.</p>	<p>-16,576</p>
<p>ECDEV Economic Development</p>	<p>The full budget provided for in the revised budget in respect of the new department and Director was not required in year. This also resulted in a lower level of resources being needed from the Restructuring Earmarked Reserve.</p>	<p>-15,820</p>

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 **£161,225** on the net cost of services. After transfers to and from earmarked reserves the overall underspend is **£106,116**.

SENIOR ACCOUNTANT
PD7-18/TH/AC
20 August 2018

DIRECTOR OF RESOURCES

BACKGROUND PAPERS

For further information please ask for Lawson Oddie

**PLANNING & DEVELOPMENT COMMITTEE
– VARIANCES 2017/18**

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Variance in Capital Charges £	Total Variance £	Associated Earmarked Reserve Variance £	Net Variance £
PLANG: Planning Control & Enforcement							
The total maintenance cost of the GGP system has been recharged out to services based on the number of users rather than all falling under this service area; this has reduced actual cost charged here.	-3,919						
Professional fees incurred in case brought against Ribble Valley by Hammond Ground Trustees are below the original budget, mainly due to costs being awarded to Ribble Valley which have been netted off the cost.	-4,120						
There have been no local plan or OS master-map imagery costs in year due to prioritising work on local development plan.	-5,570						
Income levels from Planning Fees fluctuate during the year, and from year to year making it difficult to predict. This is evidenced in the actual income in 2017/18 when payments for two large applications were received towards the end of the financial year.		-80,830					
Reduction in support costs from Community services department, Legal Services and Economic Development Department due to variances in net expenditure on these services.			-8,370				
Total Planning Control & Enforcement					-102,809	0	-102,809

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Variance in Capital Charges £	Total Variance £	Associated Earmarked Reserve Variance £	Net Variance £
PLANP: Planning Policy							
Reduction in support costs mainly from Economic Development Department.			-3,901				
The Self Build and Custom Housebuilding Act 2015 places a duty on councils to keep a register of people and community groups who are interested in self build or custom build projects in their area. In the past two years the DCLG has provided grant funding the latest being received at the end of March 2018. This grant has been set aside in order to meet future expenditure when it is incurred.		-31,775					
Total Planning Policy					-35,676	31,774	-3,902
LDEVE: Local Development Scheme							
Budget provisions were established at the revised estimate for in respect of the local development plan. Delays resulted in the budget remaining unspent. This also resulted in less resources then being needed from earmarked reserves in respect of this expenditure.	-16,576						
Total Local Development Scheme					-16,576	16,576	0
BCSAP: Building Control SAP Fees							
Below average income from SAP fees		690					
Total Building Control SAP Fees					690	0	690

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Variance in Capital Charges £	Total Variance £	Associated Earmarked Reserve Variance £	Net Variance £
BCFEE: Building Control Fee Earning Account							
Reduced level of expenditure on scanning documents as lower volume sent for scanning.	-1,852						
Reduction in support costs mainly from the Chief Executive's Department due to budget variances on this service.			1,259				
Income from building control fee earning services has been lower than anticipated in the revised estimate. The revised estimate was based on the average levels of income received in past years.		9,556					
Reduced contribution to earmarked reserve due to increase in net expenditure in this service							
Total Building Control Fee Earning Account					8,963	-8,837	126
COUNT: Countryside Management							
Due to the complexity of countryside related issues expenditure on equipment and materials for countryside activities varies from year to year for 2017/18 less expenditure was required resulting in an underspend.	-2,434						
Reduction in grants paid as committee approval was not sought before the end of the financial year.	-7,836						
Total Countryside Management					-10,270	0	-10,270

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Variance in Capital Charges £	Total Variance £	Associated Earmarked Reserve Variance £	Net Variance £
ECDEV: Economic Development Department							
The full budget provided for in the revised budget in respect of the new department and Director was not required in year. This also resulted in a lower level of resources being needed from the Restructuring Earmarked Reserve.	-15,820						
Reduced income from recharges to other services due to the lower level of in-year expenditure for the new department			15,596				
					-224	15,596	15,372
Other Variances	-2,191	1,173	-4,304	0	-5,323	0	-5,323
Total Variations for Planning & Development Committee	-60,318	-101,186	280	0	-161,225	55,109	-106,116