

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No 6

meeting date: 24 SEPTEMBER 2020  
 title: REVENUE OUTTURN 2019/20  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: VALERIE TAYLOR

## 1 PURPOSE

1.1 To report on the outturn for the financial year 2019/20 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 The national deadlines for local authorities to produce their Statement of Accounts and have them audited have been extended for the 2019/20 financial year, due to other pressures and priority work that finance departments have had to deal with as a result of Covid-19. Local authorities have to approve their Statement of Accounts for audit by 31 August 2020 and the audited Statement of Accounts must be approved by 30 November 2020.

2.2 Our full Statement of Accounts was approved for audit by the Director of Resources on 28 August 2020. The Statement of Accounts audit will commence in September 2020 and it is expected that the audited Statement of Accounts will be approved by the Accounts and Audit Committee at their meeting on 25 November 2020.

## 3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £328,713 on the net cost of services. After transfers to and from earmarked reserves, the overall underspend is £39,414. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate	Actual	Variance	Associated Earmarked Reserves	Net Variance
		2019/20	2019/20	2019/20	Variance	2019/20
		£	£	£	£	£
AONBS	Area of Outstanding Natural Beauty	15,730	15,448	-282	0	-282

Cost Centre	Cost Centre Name	Revised Estimate	Actual	Variance	Associated Earmarked Reserves	Net Variance
		2019/20	2019/20	2019/20	Variance	2019/20
		£	£	£	£	£
BCFEE	Building Control Fee Earning	41,520	29,602	-11,918	11,918	0
BCNON	Building Control Non Fee Earning	69,920	68,198	-1,722	0	-1,722
CINTR	Clitheroe Integrated Transport Scheme	7,300	2,024	-5,276	0	-5,276
CONSV	Conservation Areas	8,830	8,542	-288	0	-288
CORES	Core Strategy	20,000	19,676	-324	324	0
COUNT	Countryside Management	53,250	42,484	-10,766	0	-10,766
ECPLA	Economic Development and Planning Dept <i>(fully recharged out to other service areas)</i>	1,750	0	-1,750	0	-1,750
LDEVE	Housing & Economic Development DPD	184,640	180,894	-3,746	-681	-4,427
PENDU	Pendle Hill User Group	42,240	42,240	0	0	0
PLANG	Planning Control & Enforcement	13,090	4,835	-8,255	-2,627	-10,882
PLANP	Planning Policy	100,650	92,512	-8,138	4,122	-4,016
PLSUB	Grants & Subscriptions - Planning	10,380	10,375	-5	0	-5
PRIML	Primrose Lodge	0	-276,242	-276,242	276,242	0
<b>Sum:</b>		<b>569,300</b>	<b>240,587</b>	<b>-328,713</b>	<b>289,299</b>	<b>-39,414</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, 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 on 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 2019/20 £	Outturn 2019/20 £	Variance £	Reason for movement on Earmarked Reserve
<b>Committee Net Cost of Services</b>	<b>569,300</b>	<b>240,587</b>	<b>-328,713</b>	
<b>PLBAL/H336 Planning Reserve</b> The reserve was initially established from planning fee income. Its purpose is to fund future potential planning issues.	-37,730	-40,357	-2,627	Release of funds for expenditure on consultancy/ legal costs defending planning appeals which are in excess of the base original estimate for the year.
In recent years resources have been earmarked within the planning reserve to fund the production of a Local Development Plan.	-31,870	-32,551	-681	Funds set aside have now been released following the completion of the local development plan in 2019/20.
Release from the planning reserve to fund expenditure on consultancy support required to undertake a strategic housing and economic needs assessment in line with the commitment set out in the Core Strategy (Emergency Committee August 2019).	-20,000	-18,000	2,000	Release of £19.6k to match expenditure on the strategic housing and economic needs assessment which took place during 2019/20. This has been offset by a top-up to the reserve to fund final spend which is to take place in 2020/21.
<b>PLBAL/H234 Building Regulation Reserve</b> 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.	-41,520	-29,602	11,918	Final net expenditure on fee earning building control services is lower than forecasted resulting in a reduction to the year-end release from this reserve.
<b>PLBAL/H273 Pendle Hill User</b>	-22,240	-22,240	0	Funds have been released following

	Revised Estimate 2019/20	Outturn 2019/20	Variance	Reason for movement on Earmarked Reserve
	£	£	£	
<p><b>Reserve</b></p> <p>The reserve was established to set aside donations received that are to be spent on Pendle Hill maintenance/upkeep.</p>				authorisation from the Pendle Hill advisory group to contribute funds towards the Pendle Hill Landscape project.
<p><b>PLBAL/H296 Pendle Hill Landscape Partnership</b></p> <p>This reserve was established in 2018/19 following the receipt of £20k of funds to be earmarked for expenditure on the Pendle Hill Landscape Partnership improvement works at Pendle Hill.</p>	-20,000	-20,000	0	Funds have been released following authorisation from the Pendle Hill advisory group for expenditure on the Pendle Hill Landscape project.
<p><b>PLBAL/H374 Brownfield Sites Reserve</b></p> <p>Grant funding towards the preparation and maintenance of a register of brownfield sites suitable for residential development.</p>	0	2,446	2,446	Further grant received in the 2019/20 financial year has been set aside in this earmarked reserve for future use. This has been added to the existing balance previously received.
<p><b>CPBAL/H330 Capital reserve</b></p> <p>This reserve holds funds set aside to finance the capital programme.</p>	0	276,242	276,242	Section 106 monies spent on the primrose lodge capital scheme during 2019/20 have been released and recognised as income within this Committee. The income has been moved from the general fund to the capital reserve in order to finance the capital expenditure which has taken place during the year.
	<b>395,940</b>	<b>356,526</b>	<b>-39,414</b>	

## 5 KEY MOVEMENTS FROM REVISED ESTIMATE TO OUTTURN

5.1 The main variations have been extracted, and are shown at Annex 1. However, a summary of the major variations is set out in the table below:

<b>Service Area</b>	<b>Description of Variance</b>	<b>Amount £</b>
<b>CINTR Clitheroe Integrated Transport</b>	This budget is for an annual contribution to Lancashire County Council towards the running costs of the Clitheroe Interchange. The annual contribution was not required during 2019/20 following LCC's decision to withdraw the service.	-5,250
<b>COUNT Countryside Management/ Grants to Voluntary Organisations</b>	Applications received from organisations for countryside management grant assistance were lower than that allowed for in the budget. There is no formal grant scheme in place for this budget, with any requests being considered by committee on an ad-hoc basis.	-7,620
<b>ECPLA Economic Development &amp; Planning Department</b>	Vacancy savings in the posts of Assistant Planning Officer, Pre-Planning Advice Officer, Planning Administration Assistant and Regeneration Policy Officer exceeded that built in to the budget at revised estimate, bringing about a salary underspend for the department during the year.	-20,217
<b>PLANG Planning Control &amp; Enforcement</b>	The amount of planning fee income which was received during 2019/20 was lower than the forecast which is based on an average of historical income received over the previous three years.	5,248
<b>PRIML Primrose Lodge</b>	Release of section 106 monies in respect of the primrose lodge capital scheme. An associated movement in reserve transfers the funds to the capital reserve to be used to finance capital expenditure on the scheme that has occurred during the 2019/20 financial year. After the movement in reserve the net budget variance is nil.	-276,242

## 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 underspend of £328,713 on the net cost of services. After transfers to and from earmarked reserves the overall underspend is £39,414.

SENIOR ACCOUNTANT  
PD9-20/TH/AC  
14 September 2020

*For further information please ask for Val Taylor*

DIRECTOR OF RESOURCES

**PLANNING & DEVELOPMENT COMMITTEE  
– VARIANCES 2019/20**

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
<b>BCFEE: Building Control Fee Earning</b>							
It was necessary to engage a casual consultant to undertake fee-earning work during the 2019/20 financial year. Actual time spent for work in February and March was lower than estimated.	-2,002						
The annual net cost of the Chief Executive Department for 2019/20 was lower than estimated and this has in turn reduced the costs charged to other service areas.			-3,170				
Building control fee income was higher than anticipated at revised estimate, which is based on a two-year average of prior year income. Actual outturn received will be used to inform future estimates.		-3,997				11,918	
<b>Total Building Control Fee Earning</b>	<b>-2,002</b>	<b>-3,997</b>	<b>-3,170</b>	<b>0</b>	<b>-9,169</b>	<b>11,918</b>	<b>2,749</b>
<b>CINTR: Clitheroe Integrated Transport Scheme</b>							
Lancashire County Council withdrew the service from the interchange during 2019/20, therefore the annual contribution from the Council was not required.	-5,250						
<b>Total Clitheroe Integrated Transport Scheme</b>	<b>-5,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,250</b>	<b>0</b>	<b>-5,250</b>

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
<b>COUNT: Countryside Management</b>							
Requirements for spend on tree management works is variable from year to year and fell below the budget available for the 2019/20 financial year. The March coronavirus lockdown also impacted on this cost centre as tree management works were not undertaken during this period.	-2,255						
Applications received from organisations for countryside management grant assistance were lower than that allowed for in the budget. There is no formal grant scheme in place for this budget. Any requests are considered by committee on an ad-hoc basis.	-7,620						
<b>Total Countryside Management</b>	<b>-9,875</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-9,875</b>	<b>0</b>	<b>-9,875</b>
<b>ECPLA: Economic Development &amp; Planning</b>							
Vacancy savings in the posts of Assistant Planning Officer, Pre-Planning Advice Officer, Planning Administration Assistant and Regeneration Policy Officer exceeded that built in to the budget at revised estimate.	-20,217						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
A training budget is available for ad-hoc, continued professional development and qualification training within the Economic Development and Planning Department. No officers were undertaking qualification training during the 2019/20 financial year and low turnover within the department reduced the requirement for ad-hoc training.	-2,784						
The annual net cost of running the Council Offices building was lower than estimated. This is mainly because planned works to redecorate the Offices did not take place during the year (-£28k). This in turn lowered the charge to the Economic Development Department.			-7,461				
The annual net cost of the ICT services section for 2019/20 was lower than estimated and this has reduced the charges to other areas. This is mainly because the ICT estimate allowed for the cost of engaging a security consultant and for the implementation of subsequent recommendations arising from the consultation, however due to service pressures the consultant was not engaged during the year.			-5,001				



	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
Due to the variances detailed above the net cost of running the Economic Development & Planning Department was lower than the revised estimate for 2019/2020. This has in turn reduced the charge out to other service areas, in particular for the Economic Development (£5k), Planning Policy (£3k), Planning Control & Enforcement (£17k) and Housing and Economic Development DPD (£4k) areas.			28,526				
<b>Total Economic Development &amp; Planning</b>	<b>-23,001</b>	<b>0</b>	<b>16,063</b>	<b>0</b>	<b>-6,938</b>	<b>0</b>	<b>-6,938</b>
<b>LDEVE: Housing &amp; Economic Dev DPD</b>							
The annual net cost of the Economic Development & Planning Department for 2019/20 was lower than estimated. This is mainly due to employee vacancy savings and reduced charges from other service areas. This has in turn reduced the costs charged to this cost centre.			-3,679			-681	
<b>Total Housing &amp; Economic Dev DPD</b>	<b>0</b>	<b>0</b>	<b>-3,679</b>	<b>0</b>	<b>-3,679</b>	<b>-681</b>	<b>-4,360</b>
<b>PLANG: Planning Control</b>							
Expenditure on consultancy and legal costs in defending planning appeals above revised estimate. All expenditure above the base original estimate has been funded from the planning earmarked reserve (£40,357).	2,627					-2,627	

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
The annual net cost of the Chief Executive Department for 2019/20 was lower than estimated and this has in turn reduced the costs charged to other service areas.			-2,626				
The annual net cost of the Economic Development & Planning Department for 2019/20 was lower than estimated. This is mainly due to employee vacancy savings and reduced charges from other service areas. This has in turn reduced the costs charged to this cost centre.			-17,276				
The amount of planning fee income which was received during 2019/20 was lower than the forecast which is based on an average of historical income received over the previous three years.		5,248					
Pre-Application advice income was lower than forecast in the financial year. The actual outturn achieved will be used to inform future budget estimates.		2,309					
<b>Total Planning Control</b>	<b>2,627</b>	<b>7,556</b>	<b>-19,903</b>	<b>0</b>	<b>-9,720</b>	<b>-2,627</b>	<b>-12,347</b>
<b>PLANP: Planning Policy</b>							
Grant funding for the Brownfield Register was received during the 2019/20 financial year and transferred to the Brownfield Sites Reserve.		-2,446				2,446	

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
Underspend on the budget available to fund ad-hoc planning policy issue expenditures. £1,676 of this budget has been set aside in an earmarked reserve to fund an overspend on core strategy consultancy support costs in respect of the strategic housing and economic needs assessment (SHENA) that has occurred in the 2020/21 financial year.	-2,546					1,676	
The annual net cost of the Economic Development & Planning Department for 2019/20 was lower than estimated. This is mainly due to employee vacancy savings and reduced charges from other service areas. This has in turn reduced the costs charged to this cost centre.			-2,840				
<b>Total Planning Policy</b>	<b>-2,546</b>	<b>-2,446</b>	<b>-2,840</b>	<b>0</b>	<b>-7,832</b>	<b>4,122</b>	<b>-3,710</b>
<b>PRIML: Primrose Lodge</b>							
Payment of previously received biodiversity offsetting funds which became payable to Ribble Rivers Trust during 2019/20 upon signing of the commuted sums agreement for capital works at Primrose Lodge.	11,500	-11,500					
Release of section 106 monies to be used for the primrose lodge capital scheme. An associated movement in reserve transfers the funds to the capital reserve to finance capital expenditure on the scheme that has occurred during the 2019/20 financial year.		-276,242				276,242	

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
<b>Total Primrose Lodge</b>	<b>11,500</b>	<b>-287,742</b>	<b>0</b>	<b>0</b>	<b>-276,242</b>	<b>276,242</b>	<b>0</b>
<b>Other Variances</b>	<b>-4,413</b>	<b>736</b>	<b>3,669</b>	<b>-1</b>	<b>-9</b>	<b>324</b>	<b>315</b>
<b>Total Variances for Planning &amp; Development Committee</b>	<b>-32,960</b>	<b>-285,893</b>	<b>-9,860</b>	<b>-1</b>	<b>-328,713</b>	<b>289,299</b>	<b>-39,414</b>