

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: 26 AUGUST 2021
 title: REVENUE OUTTURN 2020/21
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To report on the outturn for the financial year 2020/21 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 changed with effect from the 2020/21 financial year statements. However, due to the complexities around accounting for Covid, the resource pressures in respect of Covid business support grant payments, and burdensome financial reporting in respect of Covid to Central Government, it has not been possible to meet these deadlines. This has also been the case at many other local authorities.

2.2 Good progress has been made and it has still been possible to report the outturn position within this report to committee. The Statement of Accounts is expected to be released for external audit at the end of August, with approval of the audited Statement of Accounts expected at the Accounts and Audit committee on 17 November 2021.

3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £161,033 on the net cost of services. After transfers to and from earmarked reserves, the overall underspend is £140,271. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate	Actual	Variance	Associated Earmarked Reserves	Net Variance
		2020/21	2020/21	2020/21	Variance 2020/21	2020/21
		£	£	£	£	£
AONBS	Area of Outstanding Natural Beauty	16,080	15,539	-541	0	-541
BCFEE	Building Control Fee Earning	-3,850	-20,996	-17,146	17,146	0

Cost Centre	Cost Centre Name	Revised Estimate	Actual	Variance	Associated Earmarked Reserves Variance	Net Variance
		2020/21 £	2020/21 £	2020/21 £	2020/21 £	2020/21 £
BCNON	Building Control Non Fee Earning	58,470	55,423	-3,047	0	-3,047
CINTR	Clitheroe Integrated Transport Scheme	1,370	1,367	-3	0	-3
CONSV	Conservation Areas	8,970	8,697	-273	0	-273
CORES	Core Strategy	2,000	2,000	0	0	0
COUNT	Countryside Management	49,540	46,166	-3,374	0	-3,374
ECPLA	Economic Development and Planning Dept	0	0	0	0	0
HIGHH	High Hedges	0	-530	-530	0	-530
LPLAN	Local Plan	142,620	84,737	-57,883	0	-57,883
PENDU	Pendle Hill User Group	2,180	2,181	1	-1	0
PLANG	Planning Control & Enforcement	55,440	-9,729	-65,169	615	-64,554
PLANP	Planning Policy	99,180	86,319	-12,861	3,000	-9,861
PLSUB	Grants & Subscriptions - Planning	10,580	10,375	-205	0	-205
PRIML	Primose Lodge	-48,670	-48,672	-2	2	0
	Sum:	393,910	232,877	-161,033	20,762	-140,271

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 2020/21 £	Outturn 2020/21 £	Variance £	Reason for movement on Earmarked Reserve
Committee Net Cost of Services	393,910	232,877	-161,033	
PLBAL/H336 Planning Reserve The reserve was initially established from planning fee income. Its purpose is to fund future potential planning issues.	-2,000	-2,000	0	Release of funds set aside in the Planning reserve in 2019/20 for final expenditure on the Strategic Housing and Economic Needs Assessment that occurred in the 2020/21 financial year.
	0	3,000	3,000	Grant funds were received during 2020/21 to support work producing a supplementary planning document relating to promoting health and wellbeing. Funds will be released in 2021/22 when the work is expected to take place.

	Revised Estimate 2020/21 £	Outturn 2020/21 £	Variance £	Reason for movement on Earmarked Reserve
<p>CPBAL/H330 Capital reserve This reserve holds funds set aside to finance the capital programme.</p>	2,500	2,500	0	Trade in of old equipment within the Planning department upon completion of the new plotter/copier capital scheme during the year. The credit received for the equipment has been transferred to the capital reserve to contribute towards the funding of future capital schemes.
	48,670	48,672	2	Section 106 monies spent on the primrose lodge capital scheme during 2020/21 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 took place during the year.
<p>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.</p>	3,850	20,996	17,146	Under charging regulations any surplus/ deficit from building control fee charging activities is held in a separate earmarked reserve. This year activities have made a net profit that is higher than expected at revised estimate, increasing the contribution to the earmarked reserve.
<p>PLBAL/H273 Pendle Hill User Reserve The reserve was established to set aside donations received that are to be spent on Pendle Hill maintenance/upkeep.</p>	-2,180	-2,181	-1	Funds have been released following a request from the Pendle Hill Advisory Group to transfer the residual balance held in this reserve to Champion Bowland, a registered charity that works closely with the AONB, to form part of a fund that is being established to maintain improvements brought about through the Pendle Hill Landscape Partnership project.

	Revised Estimate 2020/21 £	Outturn 2020/21 £	Variance £	Reason for movement on Earmarked Reserve
FNBAL/H376 Business Rates Growth Reserve Business rates growth set aside to be used to support revenue expenditure or the capital programme.	-1,990	-1,990	0	Contribution from earmarked reserve towards the increased cost of the council's Microsoft licenses renewal within this Committee. Approved by Emergency Committee in June 2020 when options following a tendering exercise were presented for consideration.
PLBAL/H337 - Equipment Reserve This reserve was established by setting aside unspent budget provisions and miscellaneous grants received to fund equipment and new burdens imposed on the council.	0	615	615	Planning funds set aside to pay for the purchase of office equipment in the 2021/22 financial year.
	442,760	302,489	-140,271	

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:

Service Area	Description of Variance	Amount £
ECPLA Economic Development & Planning Department	<u>Departmental Salary Expenditure</u> Vacancy savings, mainly in the posts of Planning Policy Assistant, Regeneration Policy Officer and Economic and Community Development Officer exceeded that built into the budget at revised estimate. Recruitment was frozen during the year on a number of vacant posts pending a review of the establishment structure (changes to which were approved by Personnel Committee in March 2021).	-14,052

Service Area	Description of Variance	Amount £
<p>LPLAN Local Plan</p>	<p><u>Local Development Plan Expenditure</u> As set out in the Local Development Plan update report to this Committee in April 2021, work on production of the necessary base documents to support the new Local Plan fell behind schedule during the 2020/21 year.</p> <p>The local plan budget is allocated over a three-year period. Delays to the programme created underspends against costs that had been profiled to be expended last year when the budget allocations were reviewed at revised estimate 2020/21. At the April meeting Committee approved an updated Local Development Scheme (LDS). As the LDS sets out a revised timetable for progression of the Local Development plan, the 3-year budget profile will be updated at revised estimate 2021/22.</p>	<p>-57,883</p>
<p>PLANG Planning Control & Enforcement</p>	<p><u>Planning Control and Enforcement Income</u> The planning fee income budget at revised estimate included an assumption that income during the December to March period would be lower than the original budget by 30% as a result of the coronavirus pandemic. Actual income during the period included a number of high value planning applications and was higher than estimated by -£19k. In turn the claim to central government for income lost due to the coronavirus pandemic was lower than that estimated by £12k (net -£7k).</p> <p>The section also generated -£8k of income from officer time spent on the Haweswater project under a Planning Performance Agreement with United Utilities and -£4k was received following the court ordered award of planning appeal costs to the council.</p>	<p>-19,629</p>
<p>Support service Costs</p>	<p><u>Support Services</u> Net Committee support service costs within Planning and Development Committee budgets were lower than estimated by -£36k.</p>	<p>-36,428</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 underspend of £161,033 on the net cost of services. After transfers to and from earmarked reserves the overall underspend is £140,271.

SENIOR ACCOUNTANT
PD10-21/VT/AC
13 August 2021

DIRECTOR OF RESOURCES

For further information please ask for Val Taylor

**PLANNING & DEVELOPMENT COMMITTEE
- VARIANCES 2020/21**

	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							
The building regulation fee estimate assumed a 5% reduction to income during Dec-Mar as a consequence of the pandemic. Outturn was actually 9% higher than base during the period, exceeding expectations and creating the variance shown.		-6,982					
The annual net cost of the Chief Executive Department for 2020/21 was lower than estimated. This is mainly due to employee vacancy savings and reduced charges into the department from other service areas. This has in turn reduced the costs charged out to other services, including the building control section.			-4,598				
Under charging regulations any surplus/ deficit from building control fee charging activities is held in a separate earmarked reserve. Due mainly to the reasons detailed above, this year profit was higher than estimated, increasing the contribution to reserve.						17,146	
Total Building Control Fee Earning	0	-6,982	-4,598	0	-11,580	17,146	5,566

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
COUNT: Countryside Management							
The cost of grants awarded for countryside management grant assistance were 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 committee on an ad-hoc basis as applications are received.	-3,500						
Total Countryside Management	-3,500	0	0	0	-3,500	0	-3,500
ECPLA: Economic Development & Planning							
Salary costs within the department were lower than estimated, mainly due to vacancy savings within the posts of Planning Policy Assistant, Regeneration Policy Officer and Economic and Community Development Officer. Recruitment was frozen during the year on a number of posts within the department pending a review of the establishment structure (changes to which were approved by Personnel Committee in March 2021).	-14,052						
Professional qualification training that was undertaken by two officers within the planning section during 2020/21 was funded through the apprenticeship levy rather than departmental budgets. Opportunities for ad-hoc officer training were also reduced as a consequence of the pandemic.	-4,321						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
Reduced costs within other service areas have in turn reduced the charge to the Economic Development and Planning Department for the year. Largely in respect of the Council Offices (-£5k) and Civic Suite (-£5k) where net costs were lower than estimated.			-14,451				
Due mainly to the variances detailed above the net cost of running the Department was lower than the revised estimate for 2020/2021. This has in turn reduced the charge out to other service areas.			36,242				
Total Economic Development & Planning	-18,373	0	21,791	0	3,418	0	3,418
LPLAN: Local Plan							
As set out in the Local Development plan update report to this Committee in April 2021, work on production of the necessary base documents to support the new Local Plan fell behind schedule during the 2020/21 year. This has created underspends against external costs that were budgeted to be expended during the year when the budget was reviewed at revised estimate (£40k consultancy, £10k legal and £5k printing and postages).	-54,950						
The annual net cost of the Economic Development and Planning Department was lower than estimated. This has in turn reduced recharges out to other service areas, including those to this budget heading (see ECPLA for details of underspends within the departmental budget).			-2,848				
Total Local Plan	-54,950	0	-2,848	0	-57,798	0	-57,798

	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							
The annual recharge from the Chief Executive Department was lower than estimated. Partly as a result of reduced costs within the department itself (reducing the recharge by -£4k), but also due to the requirement to charge staff time against specific coronavirus funding (recharge of-£10k).			-14,618				
The annual recharge from the Economic Development and Planning Department was lower than estimated. Partly as a result of reduced costs within the department itself (reducing the recharge to Planning Control by- £17k, see ECPLA for further information), but also due to the requirement to charge staff time against specific coronavirus funding (recharge of- £5k).			-21,830				
-£8k of income was generated for officer time spent on the Haweswater project under a Planning Performance Agreement with United Utilities and -£4k was received following the court ordered award of planning appeal costs to the council.		-12,855					

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
The planning fee income budget at revised estimate included an assumption that income during the December to March period would be lower than the original budget by 30% as a result of the coronavirus pandemic. Actual income during the period, which included a number of high value planning applications, was lower than original estimate by closer to 20% creating the variance shown.		-19,455					
As a result of the variance above the claim to central government for income lost due to the coronavirus pandemic during the 2020/21 year was -£156k, lower than estimated by £12k.		12,681					
Requirements for external consultancy support on agricultural planning matters were lower than allowed for within the budget.	-2,400						
The annual cost of placing planning statutory notices was lower than that allowed for within the budget.	-2,874						
Total Planning Control	-5,274	-19,629	-36,447	0	-61,350	0	-61,350

	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							
This funding has been made available to specifically support planning policy development around health related issues. The work will be taken forward as part of the policy development programme. Funds have been moved to an earmarked reserve to be released in 2021/2022 when work is expected to take place.		-3,000				3,000	
The annual recharge from the Economic Development and Planning Department was lower than estimated. Partly as a result of reduced costs within the department itself (reducing the recharge by -£3k, see ECPLA for further information), but also due to the requirement to charge staff time against specific coronavirus funding (recharge of -£5k).			-8,169				
Total Planning Policy	0	-3,000	-8,169	0	-11,169	3,000	-8,169
Other Variances	-11,431	-1,464	-6,158	-1	-19,054	616	-18,438
Total Variances for Planning & Development Committee	-93,528	-31,075	-36,428	-1	-161,033	20,762	-140,271