

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ECONOMIC DEVELOPMENT COMMITTEE

meeting date: 4 NOVEMBER 2021
title: REVENUE OUTTURN 2020/21
submitted by: DIRECTOR OF RESOURCES
principal author: HELEN SEEDALL

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 to maintain 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 -£63,937 on the net cost of services. After transfers to and from earmarked reserves overall there is an underspend of -£51,119. This has been added to General Fund Balances.

3.2 The table below provides a summary of actual spend against the revised estimate budget and the associated variance.

Cost Centre	Cost Centre Name	Revised Estimate 2020/21 £	Actual 2020/21 £	Variation £	Associated Earmarked Reserves Variance £	Net Variance £
ALBNM	Albion Mill	-700	-4,280	-3,580	0	-3,580
INDDV	Economic Development	177,630	129,885	-47,745	7,485	-40,260
RHSSF	Reopening High Streets Safely Fund	4,720	3,252	-1,468		-1,468
TURSM	Tourism & Events	121,700	110,556	-11,144	5,333	-5,811
NET COST OF SERVICES		303,350	239,413	-63,937	12,818	-51,119

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 (i.e. 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 on the movement in earmarked reserves. Full details are provided below of the earmarked reserves that have been impacted and the reasons for the movements.

	Revised Estimate 2020/21 £	Outturn £	Variance £	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	303,350	239,413	-63,937	
EDBAL/H386 Restoring Your Railways Reserve Balance of grant income received to fund the preparation of a business case for the reopening of the	0	7,485	7,485	To set aside funding received in respect of producing a strategic outline business case for restoring the Clitheroe to Hellifield rail line, in order to fund the final report issued in April 2021.

	Revised Estimate 2020/21 £	Outturn £	Variance £	Reason for Movement on Earmarked Reserve
Clitheroe to Hellifield railway to passengers.				
EDBAL/H276 Promotions Activities Reserve This reserve has been setup to carry forward unspent budget funding for Tourism Publicity which has been delayed in 2020/21 due to unforeseen circumstances.	0	5,333	5,333	To carry forward unspent budget funding for Tourism Publicity due to the delayed publication of a guide caused by the changing Covid-19 restrictions, which made it repeatedly impossible to finalise the content. As there was uncertainty around restrictions this could have altered editorial content, in addition there was also uncertainty of the survival of the business content contributors. The funds have been set aside to be spent in 2021/22.
Committee Net Cost of Services after Movements on Earmarked Reserves	303,350	252,231	-51,119	

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 £
Economic Development: Consultants	Expenditure incurred in respect of consultants engaged to deliver the strategic business case for the reopening of the Clitheroe to Hellifield railway to passengers £42,415 and a capacity analysis by Network Rail £20,230. This was funded by a grant from the Department for Transport: Restoring Your Railways £50,000 and a contribution from Community Rail Lancashire £20,000 as detailed below.	£62,645
Economic Development: Grant Funding	A grant of £50,000 was received from the Department for Transport: Restoring Your Railways, for the purpose of providing funding towards the cost of preparing a strategic business case for the reopening of the Clitheroe to Hellifield railway to passengers. A contribution of £20,000 was also received from Community Rail Lancashire for the same purpose.	-£70,000

Service Area	Description of Variance	Amount £
Economic Development: Subscriptions	It was expected the subscriptions budget would be used towards funding the strategic business case being delivered by consultants in respect of reopening the Clitheroe to Hellifield railway to passengers and a capacity analysis. However, the costs were covered by other sources, a £20,000 contribution from Community Rail Lancashire and a £50,000 grant from the Department of Transport.	-£17,115
Economic Development: Economic Development & Planning Support Services Recharge	The recharge of the Economic Development and Planning Department costs was lower than estimated due to decreased salary costs as a result of vacancy savings and reduced support service costs.	-£16,639

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 -£63,937 on the net cost of services. After transfers to and from earmarked reserves there is an overall underspend of -£51,119.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

ED9-21HS/AC
11 October 2021

BACKGROUND PAPERS

*Revised Estimates approved by Committee on 21 January 2021
Closedown Working Papers*

For further information please ask for Helen Seedall.

ECONOMIC DEVELOPMENT COMMITTEE – REVENUE OUTTURN 2020/21 VARIANCES

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Variance in Capital Costs £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<u>ALBNM: Albion Mill</u>							
A saving was achieved in legal fees due to there being no changes in tenants during the year.	-£1,870				-£1,870		-£1,870
A saving was achieved as the allowance for repairs and maintenance costs was not required during the year.	-£1,200				-£1,200		-£1,200
Total Albion Mill	-£3,070				-£3,070		-£3,070
<u>INDDV: Economic Development</u>							
It was expected the subscriptions budget would be used towards funding the strategic business case being delivered by consultants in respect of reopening the Clitheroe to Hellifield railway to passengers and a capacity analysis. However, the costs were covered by other sources, a £20,000 contribution from Community Rail Lancashire and a £50,000 grant from the Department of Transport.	-£17,115				-£17,115		-£17,115

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Variance in Capital Costs £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Expenditure incurred in respect of consultants engaged to deliver the strategic business case for the reopening of the Clitheroe to Hellifield railway to passengers £42,415 and a capacity analysis by Network Rail £20,230. This was funded by a grant from the Department for Transport: Restoring Your Railways £50,000 and a contribution from Community Rail Lancashire £20,000.	£62,645				£62,645	£7,485	£70,130
It was expected the promotions budget would be used towards funding the strategic business case being delivered by consultants in respect of reopening the Clitheroe to Hellifield railway to passengers and a capacity analysis. However, the costs were covered by other sources, a £20,000 contribution from Community Rail Lancashire and a £50,000 grant from the Department of Transport.	-£6,038				-£6,038		-£6,038
The recharge of the Economic Development and Planning Department costs were lower than estimated due to decreased salary costs as a result of vacancy savings and reduced support service costs.			-£16,639		-£16,639		-£16,639
A contribution was received from Community Rail Lancashire for the purpose of providing funding towards the cost of preparing a strategic business case for the reopening of the Clitheroe to Hellifield railway to passengers.		-£20,000			-£20,000		-£20,000

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Variance in Capital Costs £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
A grant was received from the Department for Transport: Restoring Your Railways, for the purpose of providing funding towards the cost of preparing a strategic business case for the reopening of the Clitheroe to Hellifield railway to passengers.		-£50,000			-£50,000		-£50,000
Total Economic Development	£39,492	-£70,000	-£16,639		-£47,147	£7,485	-£39,662
<u>RHSSF: Reopening High Streets Safely Fund</u>							
Total claim to the Reopening High Streets Safely Fund was higher than forecast due to additional expenditure being eligible for claiming that is recorded in other cost centres.		-£1,808			-£1,808		-£1,808
Total Reopening High Streets Safely Fund		-£1,808			-£1,808		-£1,808
<u>TURSM: Tourism & Events</u>							
The need to use temporary staff was reduced as there was not a requirement for work on the visitor guide.	-£1,183				-£1,183		-£1,183
The business rates charge is shared between visitor information centres and public conveniences. Business rates relief has been awarded for 20/21 to public conveniences therefore this has also resulted in a saving to the visitor information centre business rates cost.	-£2,110				-£2,110		-£2,110

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Variance in Capital Costs £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Expenditure on publicity was lower than estimated due to the delayed publication of a guide caused by the changing Covid-19 restrictions, which made it repeatedly impossible to finalise the content. As there was uncertainty around restrictions this could have altered editorial content, in addition there was also uncertainty of the survival of the business content contributors. The savings are being set aside in reserve to be used on producing the guide in 2021/22.	-£5,333				-£5,333	£5,333	-£0
Saving on the recharge of the support service costs due to reduced expenditure within those service areas.			-£1,976		-£1,976		-£1,976
Total Tourism & Events	-£8,626		-£1,976		-£10,602	£5,333	-£5,269
	£27,796	-£71,808	-£18,615	£0	-£62,627	£12,818	-£49,809
					-£1,310		-£1,310
Total Variances for Economic Development Committee (Net Cost of Services)					-£63,937	£12,818	-£51,119