

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: 25 AUGUST 2022  
 title: REVENUE OUTTURN 2021/22  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: VALERIE TAYLOR

### 1 PURPOSE

1.1 To report on the outturn for the financial year 2021/22 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 were signed off for audit by the Director of Resources on 29 July 2022 and are now subject to audit.

2.2 The Statement of Accounts are expected to be submitted for approval to Accounts and Audit Committee at their meeting on 28 September 2022.

### 3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £202,792 on the net cost of services. After transfers to and from earmarked reserves there is an overspend of £82,510. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate	Actual	Variance	Associated Earmarked Reserve	Net Variance
		2021/22 £	2021/22 £	2021/22 £	Variance 2021/22 £	2021/22 £
AONBS	Area of Outstanding Natural Beauty	16,540	15,851	-689	0	-689
BCFEE	Building Control Fee Earning	-6,120	-23,120	-17,000	17,000	0
BCNON	Building Control Non-Fee Earning	72,800	71,813	-987	0	-987
CONSV	Conservation Areas	9,230	8,939	-291	0	-291
COUNT	Countryside Management	58,790	49,288	-9,502	0	-9,502
ECPLA	Economic Development and Planning Dept	0	0	0	0	0

Cost Centre	Cost Centre Name	Revised Estimate	Actual	Variance	Associated Earmarked Reserve Variance	Net Variance
		2021/22 £	2021/22 £	2021/22 £	2021/22 £	2021/22 £
LPLAN	Local Plan	222,770	114,802	-107,968	271,147	163,180
PLANG	Planning Control & Enforcement	31,810	-28,013	-59,823	5	-59,818
PLANP	Planning Policy	115,400	109,054	-6,346	-2,850	-9,196
PLSUB	Grants & Subscriptions - Planning	10,790	10,603	-187	0	-187
	<b>Sum</b>	<b>532,010</b>	<b>329,218</b>	<b>-202,792</b>	<b>285,302</b>	<b>82,510</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 2021/22	Outturn 2021/22	Variance	Reason for movement on Earmarked Reserve
	£	£	£	
<b>Committee Net Cost of Services</b>	<b>532,010</b>	<b>329,218</b>	<b>-202,792</b>	
<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.	6,120	23,120	17,000	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.
<b>PLBAL/H363 Whalley Moor Reserve</b> Grant received towards work at Whalley Moor Woodland	-4,520	-4,520	0	Funds have been expended on footpath maintenance works at Whalley Community Woodland that were completed during the year.
<b>PLBAL/H376 Planning Policy Related Grants Reserve</b> To provide short term capacity support when dealing with housing planning applications.	0	-5,850	-5,850	New burdens grant funding received during the 2016/17 financial year for the creation of a Self-Build and Custom Housebuilding Register have been released from reserve following review at the end of the 2021/22 financial year.
<b>PLBAL/H336 Planning Reserve</b> The reserve was initially established from planning fee income. Its purpose is to fund future potential planning issues.	-3,000	0	3,000	Grant funds received and set aside in reserve to support planning policy development around health-related issues were expected to be expended on associated work during the 2021/22 year. As the work is now to be undertaken following completion of the local plan the funds have not yet been released.
<b>PLBAL/H337 Equipment Reserve</b> This reserve was established by setting aside unspent budget provisions and miscellaneous grants received to fund equipment and new burdens imposed on the council.	-620	-615	5	Planning funds set aside to pay for the purchase of office equipment in the 2021/22 financial year have now been released.

	Revised Estimate 2021/22	Outturn 2021/22	Variance	Reason for movement on Earmarked Reserve
<b>PLBAL/H387 Local Plan Reserve</b> This reserve was established to set aside budget that is to be expended on work to progress the local plan.	0	271,147	271,147	Remaining budget for the local plan has been set aside in earmarked reserves. The funds will be brought into the Local Plan budgets in the future years within which expenditure is expected to occur per the reprofiled Local Development Scheme.
	<b>529,990</b>	<b>612,500</b>	<b>82,510</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:

Service Area	Description of Variance	Amount £
<b>LPLAN Local Plan</b>	<u>Local Plan Expenditure</u> The £300k local plan budget is allocated over a three-year period. Delays to the programme created underspends against £134k of the budget that had been profiled to be expended last year when the budget allocations were reviewed at revised estimate 2021/22. In May 2022 this 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 2022/23.	-104,857
	<u>Local Plan Earmarked Reserve</u> At the end of the 2021/22 financial year £271k of the £300k local plan budget remained in general funds for expending over the remaining life of the project. This budget has now been set aside in earmarked reserves so that it can be released across the 3 years that work is programmed to take place, therefore smoothing out the future budget variations as they occur.	271,147
<b>ECPLA Economic Development &amp; Planning Department</b>	<u>Departmental Salary Expenditure</u> Council staffing budgets at revised estimate assume average vacancy underspends of 2% across the authority on estimated costs due to turnover. Actual salary underspends within the Economic Development and Planning department exceeded this estimate, creating the variance shown within salary, national insurance and superannuation budgets.	-30,561

Service Area	Description of Variance	Amount £
<p><b>PLANG Planning Control &amp; Enforcement</b></p>	<p style="text-align: center;"><u>Planning Control and Enforcement Income</u></p> <p>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 6%, as had been the case for the period to November. Actual income during the period included a number of high value planning applications and was higher than estimated by -£44k.</p>	<p style="text-align: center;">-44,387</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 £202,792 on the net cost of services. After transfers to and from earmarked reserves there is an overall overspend of £82,510.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PD4-22/VT/AC  
11 August 2022

*For further information please ask for Val Taylor*

**PLANNING & DEVELOPMENT COMMITTEE  
– VARIANCES 2021/22**

	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>							
Income for the November-March period was higher than the 3-year rolling average upon which the estimate is based. Outturn will be used to inform future estimates.		-7,084					
Qualification training undertaken within the section was funded via the apprenticeship levy creating an underspend against the available tuition fees budget.	-3,690						
Lower mileage claims than allowed for within the budget estimate.	-1,501						
The annual net cost of the Chief Executive Department for 2021/22 was lower than estimated. This has in turn reduced the costs charged out to other services, including the building control section.			-1,771				
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 earmarked reserves.						17,000	
<b>Total Building Control Fee Earning</b>	<b>-5,191</b>	<b>-7,084</b>	<b>-1,771</b>	<b>0</b>	<b>-14,046</b>	<b>17,000</b>	<b>2,954</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>							
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.	-8,840						
An expenditure budget of £10k was established at revised estimate for the cost of biodiversity works at Salthill and Crosshill nature reserves. Actual spend during the year was £3,380 lower than the budget, bringing about the expenditure underspend shown. As the work is to be funded from S106 monies and the amount released from funds is lower than estimated there is a corresponding income variance.	-3,380	3,380					
<b>Total Countryside Management</b>	<b>-12,220</b>	<b>3,380</b>	<b>0</b>	<b>0</b>	<b>-8,840</b>	<b>0</b>	<b>-8,840</b>
<b>ECPLA: Economic Development &amp; Planning</b>							
Council staffing budgets at revised estimate assume average vacancy underspends of 2% across the authority on estimated costs due to turnover. Actual salary underspends within the Economic Development and Planning department exceeded this estimate creating the variance shown within salary, national insurance and superannuation budgets.	-30,561						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
Professional qualification training that was undertaken within the planning section was funded through the apprenticeship levy creating an underspend against the available tuition fees budget.	-4,060						
Lower mileage claims than allowed for within the budget estimate.	-1,976						
Reduced costs within other service areas has in turn reduced the charge to the Economic Development and Planning Department for the year.			-1,886				
Due mainly to the variances detailed above the net cost of running the Department was lower than the revised estimate for 2021/2022. This has in turn reduced the charge out to other service areas.			39,719				
<b>Total Economic Development &amp; Planning</b>	<b>-36,597</b>	<b>0</b>	<b>37,833</b>	<b>0</b>	<b>1,236</b>	<b>0</b>	<b>1,236</b>
<b>LPLAN: Local Plan</b>							
A £300k budget is approved for expenditure on the new Local Plan. The budget is profiled over a three-year period to support the estimated timings of the stages of the plan per the Local Development Scheme. A revised Local Development Scheme was approved by this Committee in May 2022 following delays to the programme. The delays (and subsequent re-programming) of the Local Development Scheme has brought about underspends in the 2021/22 financial year that will be realised in future financial years.	-104,857						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
Remaining budget to be expended over the 3-year period during which work is being undertaken to progress the local plan has been set aside in earmarked reserves. The funds will be brought into the Local Plan budgets in the future years within which expenditure is expected to occur per the reprofiled Local Development Scheme.						271,147	
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.			-3,069				
<b>Total Local Plan</b>	<b>-104,857</b>	<b>0</b>	<b>-3,069</b>	<b>0</b>	<b>-107,926</b>	<b>271,147</b>	<b>163,221</b>
<b>PLANG: Planning Control</b>							
Income received in respect of a Planning Performance Agreement was lower than estimated. A revised estimate for invoices raised for application work undertaken during 2022/23 will be brought into the budget later on in the financial year.		9,688					
New burdens funding was received from DEFRA to support local planning authorities in their preparations for the introduction of mandatory Biodiversity Net Gain assessments.		-10,047					

	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 6%, as had been the case for the period to November. Actual income received during the period included a number of high value planning applications, exceeding the budget estimate by the variance amount shown.		-44,387					
Higher expenditure on consultancy/ legal fees than the budget estimate that was mainly due to expenditure on a planning enforcement matter.	4,160						
The annual cost of placing planning statutory notices was higher than that allowed for within the budget. Outturn will be used to inform future estimates.	1,774						
Reduced costs within other service areas has in turn reduced the charge to the Planning Section. Mainly in respect of the Economic Development and Planning Department (-£18k).			-20,090				
<b>Total Planning Control</b>	<b>5,934</b>	<b>-44,746</b>	<b>-20,090</b>	<b>0</b>	<b>-58,902</b>	<b>0</b>	<b>-58,902</b>
<b>PLANP: Planning Policy</b>							
Requirements for expenditure on ad-hoc planning policy issues were lower than the budget available.	-2,279						

	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 areas has in turn reduced the charge to this service area. Mainly in respect of the Economic Development and Planning Department (-£3.8k).			-4,067				
Grant funds received and set aside in reserve to support planning policy development around health-related issues were expected to be expended on associated work during the 2021/22 year. As the work is now to be undertaken following completion of the local plan the funds have not yet been released creating the variance shown.						3,000	
New burdens grant funding received during the 2016/17 financial year for the creation of a Self-Build and Custom Housebuilding Register have been released from reserve following review at the end of the 2021/22 financial year.						-5,850	
<b>Total Planning Policy</b>	<b>-2,279</b>	<b>0</b>	<b>-4,067</b>	<b>0</b>	<b>-6,346</b>	<b>-2,850</b>	<b>-9,196</b>
<b>Other Variances</b>	<b>-2,983</b>	<b>-2,413</b>	<b>-2,574</b>	<b>2</b>	<b>-7,968</b>	<b>5</b>	<b>-7,963</b>
<b>Total Variances for Planning &amp; Development Committee</b>	<b>-158,193</b>	<b>-50,863</b>	<b>6,262</b>	<b>2</b>	<b>-202,792</b>	<b>285,302</b>	<b>82,510</b>