

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ECONOMIC DEVELOPMENT COMMITTEE

meeting date: 8 SEPTEMBER 2022  
 title: REVENUE OUTTURN 2021/22  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: HELEN SEEDALL

## 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 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 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 -£4,597 on the net cost of services. After transfers to and from earmarked reserves overall there is an underspend of -£21,123. 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 2021/22<br>£ | Actual 2021/22<br>£ | Variation<br>£ | Associated Earmarked Reserves<br>Variance<br>£ | Net Variance<br>£ |
|-----------------------------|------------------------------------|-------------------------------|---------------------|----------------|------------------------------------------------|-------------------|
| <b>ALBNM</b>                | Albion Mill                        | -520                          | -3,546              | -3,026         | 0                                              | -3,026            |
| <b>INDDV</b>                | Economic Development               | 175,200                       | 175,471             | 271            | -16,523                                        | -16,252           |
| <b>RHSSF</b>                | Reopening High Streets Safely Fund | 0                             | -1,410              | -1,410         | 0                                              | -1,410            |
| <b>TURSM</b>                | Tourism & Events                   | 119,040                       | 118,608             | -432           | -3                                             | -435              |
| <b>NET COST OF SERVICES</b> |                                    | <b>293,720</b>                | <b>289,123</b>      | <b>-4,597</b>  | <b>-16,526</b>                                 | <b>-21,123</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 (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<br>2021/22<br>£ | Outturn<br>£ | Variance<br>£ | Reason for Movement on<br>Earmarked Reserve                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Committee Net Cost of Services</b>                                                                                                                                                                                                                                                          | 293,720                          | 289,123      | -4,597        |                                                                                                                                                                                                                                                                                                          |
| <b>CPBAL/H330<br/>Capital Reserve</b><br>The capital reserve is a reserve where resources are set aside to fund future capital programme spend. Income from the sale of assets of a value less than £10,000 is credited to the revenue account and then transferred to this earmarked reserve. | 0                                | -16,528      | -16,528       | To fund appraisal work carried out by consultants regarding the possible purchase of a piece of land along the A59 that was originally part of a capital project. However, as the purchase has not proceeded the consultancy work has been charged to the revenue account in line with accounting rules. |
| <b>EDBAL/H386<br/>Restoring Your Railways Reserve</b><br>Balance of grant income received to fund the preparation of a business case for the reopening of the Clitheroe to Hellifield railway to passengers.                                                                                   | -7,490                           | -7,485       | 5             | To use funding that was set aside to fund consultants to produce the final report for a strategic outline business case for restoring the Clitheroe to Hellifield rail line.                                                                                                                             |

|                                                                                                                                                                                                                         | Revised Estimate<br>2021/22<br>£ | Outturn<br>£   | Variance<br>£  | Reason for Movement on<br>Earmarked Reserve                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>EDBAL/H276<br/>Promotions Activities<br/>Reserve</b><br>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. | -5,330                           | -5,333         | -3             | To release funding set aside for expenditure on Tourism Publicity in 21/22 which was delayed in 20/21 due to the changing restrictions to tackle Covid-19. |
| <b>Committee Net Cost of Services after Movements on Earmarked Reserves</b>                                                                                                                                             | <b>280,900</b>                   | <b>259,777</b> | <b>-21,123</b> |                                                                                                                                                            |

## 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<br>£ |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Economic Development: Consultants</b> | Expenditure incurred in respect of consultants engaged to appraise the possible purchase of a piece of land along the A59 that was originally a capital project. However, as the purchase has not proceeded, the consultancy work has been charged to the revenue account in line with accounting rules. The expenditure is being funded by use of a reserve set aside for the capital project. | £16,523     |

## 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 -£4,597 on the net cost of services. After transfers to and from earmarked reserves there is an overall underspend of -£21,123.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

ED4-22/HS/AC  
19 August 2022

BACKGROUND PAPERS

*Revised Estimates approved by Committee on 20 January 2022  
Closedown Working Papers*

## ECONOMIC DEVELOPMENT COMMITTEE – REVENUE OUTTURN 2021/22 VARIANCES

|                                                                                                                                                                                                                                                                                                                                                                                                 | Variance in Expenditure<br>£ | Variance in Income<br>£ | Variance in Support Services<br>£ | Variance in Capital Costs<br>£ | Total Variance<br>£ | Associated Earmarked Reserves Variance<br>£ | Net Variance<br>£ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------|-----------------------------------|--------------------------------|---------------------|---------------------------------------------|-------------------|
| <b><u>ALBNM: Albion Mill</u></b>                                                                                                                                                                                                                                                                                                                                                                |                              |                         |                                   |                                |                     |                                             |                   |
| A saving was achieved in legal fees due to there being no changes in tenants during the year.                                                                                                                                                                                                                                                                                                   | -£1,910                      |                         |                                   |                                | -£1,910             |                                             | -£1,910           |
| A saving was achieved as the allowance for repairs and maintenance costs was not required during the year.                                                                                                                                                                                                                                                                                      | -£1,100                      |                         |                                   |                                | -£1,100             |                                             | -£1,100           |
| <b>Total Albion Mill</b>                                                                                                                                                                                                                                                                                                                                                                        | <b>-£3,010</b>               |                         |                                   |                                | <b>-£3,010</b>      |                                             | <b>-£3,010</b>    |
| <b><u>INDDV: Economic Development</u></b>                                                                                                                                                                                                                                                                                                                                                       |                              |                         |                                   |                                |                     |                                             |                   |
| Lower requirement for use of the subscriptions budget in 21/22.                                                                                                                                                                                                                                                                                                                                 | -£6,431                      |                         |                                   |                                | -£6,431             |                                             | -£6,431           |
| Expenditure incurred in respect of consultants engaged to appraise the possible purchase of a piece of land along the A59 that was originally a capital project. However, as the purchase has not proceeded, the consultancy work has been charged to the revenue account in line with accounting rules. The expenditure is being funded by use of a reserve set aside for the capital project. | £16,523                      |                         |                                   |                                | £16,523             | -£16,523                                    | £0                |

|                                                                                                                                                                                                                                                                                                      | Variance in Expenditure<br>£ | Variance in Income<br>£ | Variance in Support Services<br>£ | Variance in Capital Costs<br>£ | Total Variance<br>£ | Associated Earmarked Reserves Variance<br>£ | Net Variance<br>£ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------|-----------------------------------|--------------------------------|---------------------|---------------------------------------------|-------------------|
| There has been a lower than estimated requirement for expenditure on promotional activities during the year.                                                                                                                                                                                         | -£3,970                      |                         |                                   |                                | -£3,970             |                                             | -£3,970           |
| 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.                                                                                                     |                              |                         | -£5,622                           |                                | -£5,622             |                                             | -£5,622           |
| <b>Total Economic Development</b>                                                                                                                                                                                                                                                                    | <b>£6,122</b>                |                         | <b>-£5,622</b>                    |                                | <b>£500</b>         | <b>-£16,523</b>                             | <b>-£16,023</b>   |
| <b><u>RHSSF: Reopening High Streets Safely Fund</u></b>                                                                                                                                                                                                                                              |                              |                         |                                   |                                |                     |                                             |                   |
| 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.                                                                                                                     |                              | -£1,410                 |                                   |                                | -£1,410             |                                             | -£1,410           |
| <b>Total Reopening High Streets Safely Fund</b>                                                                                                                                                                                                                                                      |                              | <b>-£1,410</b>          |                                   |                                | <b>-£1,410</b>      |                                             | <b>-£1,410</b>    |
| <b><u>TURSM: Tourism &amp; Events</u></b>                                                                                                                                                                                                                                                            |                              |                         |                                   |                                |                     |                                             |                   |
| Reduction in expenditure on postage due to increased use of the internet to communicate publicity material.                                                                                                                                                                                          | -£1,894                      |                         |                                   |                                | -£1,894             |                                             | -£1,894           |
| Lower than estimated funding received from the Kickstart scheme due to the job holder leaving the scheme early. The Kickstart Scheme provided funding for 6 months to create new jobs for 16 to 24 year olds who were receiving Universal Credit and at risk of experiencing long term unemployment. |                              | £2,373                  |                                   |                                | £2,373              |                                             | £2,373            |

|                                                                                                            | Variance in Expenditure<br>£ | Variance in Income<br>£ | Variance in Support Services<br>£ | Variance in Capital Costs<br>£ | Total Variance<br>£ | Associated Earmarked Reserves Variance<br>£ | Net Variance<br>£ |
|------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------|-----------------------------------|--------------------------------|---------------------|---------------------------------------------|-------------------|
| Saving on the recharge of the support service costs due to reduced expenditure within those service areas. |                              |                         | -£1,178                           |                                | -£1,178             |                                             | -£1,178           |
| <b>Total Tourism &amp; Events</b>                                                                          | <b>-£1,894</b>               | <b>£2,373</b>           | <b>-£1,178</b>                    |                                | <b>-£699</b>        |                                             | <b>-£699</b>      |
|                                                                                                            | <b>£1,218</b>                | <b>£963</b>             | <b>-£6,800</b>                    | <b>£0</b>                      | <b>-£4,619</b>      | <b>-£16,523</b>                             | <b>-£21,142</b>   |
|                                                                                                            |                              |                         |                                   |                                | <b>£22</b>          | <b>-£3</b>                                  | <b>£19</b>        |
|                                                                                                            |                              |                         |                                   |                                | <b>-£4,597</b>      | <b>-£16,526</b>                             | <b>-£21,123</b>   |
| <b>Total Variances for Economic Development Committee (Net Cost of Services)</b>                           |                              |                         |                                   |                                | <b>-£4,597</b>      | <b>-£16,526</b>                             | <b>-£21,123</b>   |