

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: 24 AUGUST 2023
 title: REVENUE OUTTURN 2022/23
 submitted by: DEPUTY CHIEF EXECUTIVE & DIRECTOR OF RESOURCES
 principal author: VALERIE TAYLOR

1 PURPOSE

1.1 To report on the outturn for the financial year 2022/23 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 2 June 2023 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 27 September 2023.

3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £280,615 on the net cost of services. After transfers to and from earmarked reserves there is an underspend of £77,818. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate 2022/23 £	Actual 2022/23 £	Variance 2022/23 £	Associated Earmarked Reserve Variance 2022/23 £	Net Variance 2022/23 £
AONBS	Area of Outstanding Natural Beauty	18,230	17,294	-936	0	-936
BCFEE	Building Control Fee Earning	-13,010	-18,452	-5,442	5,442	0
BCNON	Building Control Non- Fee Earning	73,300	71,507	-1,793	0	-1,793
CONSV	Conservation Areas	9,450	9,224	-226	0	-226
COUNT	Countryside Management	59,780	50,266	-9,514	0	-9,514

Cost Centre	Cost Centre Name	Revised Estimate 2022/23 £	Actual 2022/23 £	Variance 2022/23 £	Associated Earmarked Reserve Variance 2022/23 £	Net Variance 2022/23 £
ECPLA	Economic Development and Planning Dept	0	0	0	14,597	14,597
LPLAN	Local Plan	294,510	123,488	-171,022	167,489	-3,533
PLANG	Planning Control & Enforcement	325,320	238,667	-86,653	15,269	-71,384
PLANP	Planning Policy	100,620	95,594	-5,026	0	-5,026
PLSUB	Grants & Subscriptions - Planning	10,840	10,837	-3	0	-3
	TOTAL	879,040	598,425	-280,615	202,797	-77,818

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;
- 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 2022/23 £	Outturn 2022/23 £	Variance £	Reason for movement on Earmarked Reserve
Committee Net Cost of Services	879,040	598,425	-280,615	
PLBAL/H234 Building Regulation Reserve The fee earning element of the Building Control service is statutorily ringed fenced. Any surplus or deficit is set aside in an earmarked reserve to offset past surpluses or deficits.	13,010	18,452	5,442	During 2022/23 building control activities generated a net profit that was higher than expected at revised estimate, increasing the contribution to the earmarked reserve.
PLBAL/H336 Planning Reserve The reserve was initially established from planning fee income. Its purpose is to fund future potential planning issues.	-6,820	0	6,820	Planned release from reserve for the cost of legal fees was not required following a successful legal costs claim.
PLBAL/H312 Biodiversity Net Gain Reserve Grant funds received to support local planning authorities in their preparations for the introduction of mandatory Biodiversity Net Gain resulting from The Environment Act 2021.	0	8,449	8,449	Grant funds of £26k were received from DEFRA for the cost of Biodiversity Net Gain preparatory work. Funds unallocated during the 2022/23 year have been set aside in this reserve to meet those costs falling at a future date.
PLBAL/H387 Local Plan Reserve This reserve was established to set aside budget that is to be expended on work to progress the local plan.	-167,570	-81	167,489	The budget for the local plan is set aside in earmarked reserves. Expenditures during the 2022/23 financial year were below budget which has in turn reduced the amount released from the reserve.
	0	14,597	14,597	As a result of a prolonged vacancy within the department it became necessary to engage an external consultant to progress the local plan. Underspends from the substantive post have been set aside for the cost of continuing the engagement into the next financial year.
	717,660	639,842	-77,818	

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 £
LPLAN Local Plan	<u>Local Plan Expenditure</u> Due to changes to the Local Plan programme the funds that were profiled to be expended during the 2022/23 financial year will now fall into a future financial period. The local plan budget will be reviewed and reprofiled at revised estimate 2023/24.	-167,489
	<u>Local Plan Earmarked Reserve</u> Funds that are set aside in earmarked reserves to support progression of the local plan will now be released at a future date as associated expenditures occur, reducing the above variance to nil after movements in earmarked reserves.	167,489
PLANG Planning Control & Enforcement	Grant income received from DEFRA and allocated to the 2022/23 financial year for the cost of mandatory Biodiversity Net Gain preparatory work.	-18,358
PLANG Planning Control & Enforcement	The planning fee income budget at revised estimate included an assumption that income during the November to March period would be lower than the original budget by 32%, as had been the case for the period to October. However actual income received was slightly higher than the revised estimate	-15,080

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 £280,615 on the net cost of services. After transfers to and from earmarked reserves there is an overall underspend of £77,818.

SENIOR ACCOUNTANT

DEPUTY CHIEF EXECUTIVE AND DIRECTOR OF RESOURCES

PD7-23/VT/AC
10 August 2023

**PLANNING & DEVELOPMENT COMMITTEE
– VARIANCES 2022/23**

	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							
Income for the November-March period was lower than the prior year averages upon which the income estimates are based. Outturn will be used to inform future estimates.		5,000					
The total cost of expenditures on various supplies and services was lower than that allowed for within the budget estimates. The main variance is an underspend of £1k on a budget that is available for the cost of engaging consultancy services if structural calculations included within building control plans require verification.	-2,973						
The annual net cost of the Economic Development & Planning Department for 2022/23 was lower than estimated. This has in turn reduced the costs charged out to other services, including to the building control section.			-4,408				
Training requirements for the financial year were lower than the budget available.	-1,994						
Under charging regulations any surplus/ deficit from building control fee earning activities is held in a separate earmarked reserve. Due mainly to the reasons detailed above, this year the net profit was higher than estimated, increasing the contribution to earmarked reserves.						5,442	
Total Building Control Fee Earning	-4,968	5,000	-4,408	0	-4,375	5,442	1,067

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
BCNON: Building Control Non Fee Earning							
The annual net cost of the Economic Development & Planning Department for 2022/23 was lower than estimated. This has in turn reduced the costs charged out to other services, including to the building control section.			-1,610				
Total Building Control Non Fee Earning	0	0	-1,610	0	-1,610	0	-1,610
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.	-8,840						
Total Countryside Management	-8,840	0	0	0	-8,840	0	-8,840
ECPLA: Economic Development & Planning							
Council staffing budgets at revised estimate assume average vacancy underspends of 2% across the authority on estimated costs due to turnover. Actual salary, national insurance and superannuation underspends within the department exceeded this estimate, largely due to vacancy underspends within the Forward Planning section. Part of the underspend has been set aside in earmarked reserves to contribute towards the ongoing cost of engaging consultancy support to progress the local plan. The funds will be released from reserves in 2023/24.	-46,613					14,597	

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
Due to departmental vacancies during the year it has been necessary to engage an external consultant to progress the local plan (funded from the underspends above).	33,000						
Lower mileage claims than allowed for within the budget estimate.	-2,103						
The cost of professional subscriptions during the year was lower than the budget estimate due to vacancies.	-1,387						
Expenditure on lease cars was lower than estimated following termination of a lease agreement.	-5,137						
Additional income to reimburse the council for the cost of officer time following a successful court claim in relation to an enforcement matter.		-6,553					
Lower than estimated net costs within other areas has in turn reduced the charge to the Economic Development and Planning Department for the year, particularly from the Council Offices (£6k) and ICT (£3k) section.			-10,246				
Due mainly to the variances detailed above the net cost of running the Department was lower than the revised estimated. This has in turn reduced the charges out to other service areas.			42,935				
Total Economic Development & Planning	-22,239	-6,553	32,688	0	3,895	14,597	18,493

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
LPLAN: Local Plan							
Underspend caused by the timing of local plan expenditures that will now fall into a future financial year, mainly within the budget that is available for consultancy support for the production of evidence based documents that are required to progress the local plan. Funds for the local plan budget are to be expended over the lifetime of the project and have therefore previously been set aside in earmarked reserves to be released in the financial year (s) that expenditures occur. Lower expenditure than estimated during the 2022/23 year has in turn reduced the release from reserve, leaving a net variance of nil.	-167,489					167,489	
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).			-3,546				
Total Local Plan	-167,489	0	-3,546	0	-171,035	167,489	-3,546
PLANG: Planning Control							
New burdens funding received from DEFRA to support local planning authorities in their preparations for the introduction of mandatory Biodiversity Net Gain assessments. The element of the funding that was received in advance of the 2023/24 financial year has been set aside in earmarked reserves to be released as associated expenditures occur.		-26,807				8,449	

	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 November to March period would be lower than the original budget by 32%, as had been the case for the period up to October. Actual income received during the period was higher than estimated.		-15,080					
Lower demand for the pre-application advice service than the estimated budget for the November to March period. Outturn will be used to inform future estimates.		5,442					
Income received for work carried out under a Planning Performance Agreement was higher than estimated.		-5,256					
Higher expenditure on consultancy/ legal fees than the budget estimate that was mainly due to expenditure on a planning enforcement matter. The overspend has been more than offset by income from successful costs claims that have been awarded during the year. An increase to the consultancy/ legal fees budget at revised estimate was originally planned to be supported by a release from the planning earmarked reserve. As a result of the income received from the costs claim this is no longer required, creating the variance shown.	32,578	-38,490				6,820	
Lower requirements for document scanning services during the 2022/23 financial year than the budget available.	-1,210						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
The annual cost of placing planning statutory notices was lower than the prior year average. Outturn will be used to inform future estimates.	-3,685						
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 (-£26k) and Chief Executive's Department (-£8k)			-34,271				
Total Planning Control	27,683	-80,192	-34,271	0	-86,779	15,269	-71,511
PLANP: Planning Policy							
Requirements for expenditure on ad-hoc planning policy issues were lower than the budget available.	-2,723						
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 (-£2k).			-2,303				
Total Planning Policy	-2,723	0	-2,303	0	-5,026	0	-5,026
Other Variances	-5,752	1,152	-2,247	2	-6,845	0	-6,845
Total Variances for Planning & Development Committee	-184,328	-80,593	-15,696	2	-280,615	202,797	-77,818