

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

Agenda Item No 6

meeting date: 5 SEPTEMBER 2019  
 title: REVENUE OUTTURN 2018/19  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: VALERIE TAYLOR

## 1 PURPOSE

1.1 To report on the outturn for the financial year 2018/19 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 was signed off for audit by the Director of Resources on 31 May 2019 and that audit has now been completed.

2.2 Under the Accounts and Audit Regulations 2015 we are required to have our audited Statement of Accounts approved by 31 July 2019.

2.3 Our final audited Statement of Accounts was approved by Accounts and Audit Committee at their meeting on 24 July 2019.

## 3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall overspend of £37,574 on the net cost of services. After transfers to and from earmarked reserves, the overall overspend is £116,629. This has been taken from General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate	Actual	Variance	Associated Earmarked Reserves	Net Variance
		2018/19	2018/19	2018/19	Variance	2018/19
		£	£	£	£	£
AONBS	Area of Outstanding Natural Beauty	15,580	15,519	-61	0	-61
BCFEE	Building Control Fee Earning	15,190	7,993	-7,197	7,197	0
BCNON	Building Control Non Fee Earning	69,200	68,661	-539	0	-539

Cost Centre	Cost Centre Name	Revised Estimate	Actual	Variance	Associated Earmarked Reserves	Net Variance
		2018/19	2018/19	2018/19	Variance	2018/19
		£	£	£	£	£
BCSAP	Building Control SAP Fees	-410	-175	235	0	235
CINTR	Clitheroe Integrated Transport Scheme	7,220	7,216	-4	0	-4
COMMG	Community Groups	0	1,144	1,144	0	1,144
CONSV	Conservation Areas	8,690	8,630	-60	0	-60
COUNT	Countryside Management	53,200	42,098	-11,102	0	-11,102
ECDEV	Economic Development Department	9,670	10,283	613	-613	0
ECPLA	Economic Development and Planning Dept <i>(fully recharged out to other service areas)</i>	0	0	0	0	0
FPATH	Footpaths & Bridleways	0	746	746	0	746
LDEVE	Local Development Scheme	111,180	90,437	-20,743	19,960	-783
LNPLA	Longridge Neighbourhood Plan Referendum	-9,700	-6,064	3,636	-3,646	-10
PENDU	Pendle Hill User Group	15,560	20,090	4,530	-4,530	0
PLANG	Planning Control & Enforcement	6,440	101,074	94,634	33,290	127,924
PLANP	Planning Policy	103,050	94,797	-8,253	7,397	-856
PLSUB	Grants & Subscriptions - Planning	7,880	7,875	-5	0	-5
PNHLP	Pendle Hill Landscape Partnership	0	-20,000	-20,000	20,000	0
	<b>Sum:</b>	<b>412,750</b>	<b>450,324</b>	<b>37,574</b>	<b>79,055</b>	<b>116,629</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 of 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 2018/19 £	Outturn 2018/19 £	Variance £	Reason for movement on Earmarked Reserve
<b>Committee Net Cost of Services</b>	<b>412,750</b>	<b>450,324</b>	<b>37,574</b>	
<b>PLBAL/H336 Planning Reserve</b> The reserve was initially established from planning fee income. Its purpose is to fund future potential planning issues.	-22,530	10,760	33,290	This variance is the balance of a year-end contribution in to the planning reserve from general funds to ensure that adequate funds are set aside for future requirements, offset by a release from the reserve to fund 2018/19 consultancy/ appeal costs in excess of the original estimate.
In recent years resources have been earmarked within the planning reserve to fund the production of a Local Development Plan.	-23,150	-3,190	19,960	The final release from reserve to fund Local Development Plan costs was lower than expected because plan inspection fees are now expected in the 2019/20 financial year.
<b>PLBAL/H284 Neighbourhood Planning</b> On submission of a neighbourhood plan the council receives a contribution from the Ministry of Housing Communities and Local Government (MHCLG) to further the plan. These contributions were set aside in a reserve to fund associated future expenditure.	9,710	6,064	-3,646	Following the Longridge Neighbourhood Plan referendum the council qualified for £20k funding from MHCLG, the final contribution to the reserve is the residual balance of this funding after accounting for in year expenditure on the referendum.

	Revised Estimate 2018/19	Outturn 2018/19	Variance	Reason for movement on Earmarked Reserve
	£	£	£	
<b>PLBAL/H234</b> <b>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.	-15,190	-7,993	7,197	The final movement in reserve reflects the end of year position on building control fee earning activities where net expenditure was lower than originally forecast.
<b>PLBAL/H273</b> <b>Pendle Hill User Reserve</b> The reserve was established from contributions from visitors to help fund the future upkeep of Pendle Hill.	-15,560	-20,090	-4,530	Expenditure occurring towards the end of the 2018/19 financial year on the upkeep of Pendle Hill has led to a higher release from this reserve than forecast.
<b>FNBAL/H334</b> <b>Restructuring Reserve</b> A restructuring reserve was established to fund any restructuring reviews.	-9,670	-10,283	-613	Set up costs for the new Economic Development and Planning Department that occurred during 2018/19 have been funded from this reserve.
<b>PLBAL/H296</b> <b>Pendle Hill Landscape Partnership</b> This is a new reserve established to earmark funds received from the Pendle Hill Landscape Partnership for improvement works at Pendle Hill.	0	20,000	20,000	A contribution of £20k was received during 2018/19 from the Pendle Hill Landscape Partnership to be used specifically for future improvement works on Pendle Hill. An earmarked reserve has been set aside to fund future planned expenditures as authorised by the partnership.
<b>PLBAL/H374</b> <b>Brownfield Sites Reserve</b> Grant funding towards the preparation and maintenance of a register of brownfield sites suitable for residential development.	0	7,397	7,397	Further grant received in the 2018/19 financial year has been set aside in this earmarked reserve for future use. This has been added to the existing balance previously received.
	<b>336,360</b>	<b>452,989</b>	<b>116,629</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.

<b>Service Area</b>	<b>Description of Variance</b>	<b>Amount £</b>
<b>LDEVE Local Development Plan</b>	Expenditure of £20k that was forecast to occur during 2018/19 on Local Development Plan inspection fees is now expected to fall in 2019/20 resulting in an underspend in the 2018/19 financial year. The expenditure will be funded by an associated earmarked reserve movement in the financial year in which it occurs.	-20,000
<b>PLANG Planning Control/ Planning Fees</b>	The amount of planning fee income which was received during 2018/19 was lower than the forecast which is based on an average of historical income received over the previous three years.	17,909
<b>PLANG Planning Control/ Consultants</b>	There was a sizeable overspend on consultants during 2018/19 following full and final settlement of £79k for appeal costs that were awarded against the council in relation to the Lawsonsteads appeal in Whalley. The expenditure has been funded by an associated movement from the Planning earmarked reserve.	79,987
<b>PNHLP Pendle Hill Landscape Partnership</b>	A contribution of £20k was received during 2018/19 from the Pendle Hill Landscape Partnership to be used specifically for future improvement works on Pendle Hill. An earmarked reserve has been set aside to fund future expenditures authorised by the partnership.	-20,000
<b>COUNT Countryside Management/ Grants to Voluntary Organisations</b>	Applications received from organisations for grant assistance during 2018/19 were lower than that allowed for in the budget.	-10,690

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 overspend of £37,574 on the net cost of services. After transfers to and from earmarked reserves the overall overspend is £116,629.

SENIOR ACCOUNTANT  
PD7-19/VT/AC  
22 August 2019

*For further information please ask for Val Taylor*

DIRECTOR OF RESOURCES

**PLANNING & DEVELOPMENT COMMITTEE  
– VARIANCES 2018/19**

	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>							
The 2018/19 cost of an employee's qualification course was lower than allowed for in the budget estimate.	-2,370						
Training costs were recharged to an employee in line with the council's policy after they had left our employment.	-3,863						
Final net expenditure on fee earning building control services is lower than forecast resulting in a reduction to the end of year transfer from this earmarked reserve.						7,197	
<b>Total Building Control Fee Earning</b>	<b>-6,233</b>				<b>-6,233</b>	<b>7,197</b>	<b>964</b>
<b>COUNT: Countryside Management</b>							
Applications received from organisations for grant assistance during 2018/19 were lower than that allowed for in the budget.	-10,690						
<b>Total Countryside Management</b>	<b>-10,690</b>				<b>-10,690</b>		<b>-10,690</b>
<b>ECPLA: Economic Development &amp; Planning</b>							
Anticipated expenditure on training within the Economic Development and Planning Department did not occur during the 2018/19 financial year.	-2,990						
<b>Total Economic Development &amp; Planning</b>	<b>-2,990</b>				<b>-2,990</b>		<b>-2,990</b>

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
<b>LDEVE: Local Development Scheme</b>							
Expenditure of £20k that was forecast to occur during 2018/19 on Local Development Plan inspection fees is now expected to fall in 2019/20. The expenditure will be funded by an associated movement in earmarked reserve in the financial year in which it occurs.	-20,000					19,960	
<b>Total Local Development Scheme</b>	<b>-20,000</b>				<b>-20,000</b>	<b>19,960</b>	<b>-40</b>
<b>PENDU: Pendle Hill User Group</b>							
Unanticipated expenditure on the upkeep of Pendle Hill occurred towards the end of the 2018/19 financial year. Expenditures on this area are funded by a release from the Pendle Hill user reserve.	4,530					-4,530	
<b>Total Pendle Hill User Group</b>	<b>4,530</b>				<b>4,530</b>	<b>-4,530</b>	<b>0</b>
<b>PLANG: Planning Control</b>							
Software maintenance revenue costs in respect of the planning portal capital scheme didn't materialise during the 2018/19 financial year.	-3,962						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
There was been a sizeable overspend on consultants during 2018/19 following full and final settlement of £79k for appeal costs that were awarded against the council in relation to the Lawsonsteads appeal in Whalley. The expenditure has been funded by an associated movement from the Planning earmarked reserve.	79,987					-79,987	
The element of the planning reserve that earmarks funds for future planning issues was reviewed at the end of the financial year and replenished to £100k from the general fund.						113,277	
Costs of placing planning statutory notices in newspapers were higher than forecast during the year. The above inflationary increase will be built in to future estimates.	3,209						
Ordnance survey licence/ maps - planned work within this area is now expected to take place within the 2019/ 2020 financial year.	-3,100						
Lower than anticipated net expenditure in the Economic Development & Planning Department has reduced the annual recharge to the Planning Control Service.			-3,200				



	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
The amount of planning fee income which was received during 2018/19 was lower than the forecast which is based on an average of historical income received over the previous three years.		17,909					
Pre-Application advice income was lower than forecast in the financial year. The actual outturn achieved will be used to inform future budget estimates.		6,997					
<b>Total Planning Control</b>	<b>76,134</b>	<b>24,906</b>	<b>-3,200</b>		<b>97,840</b>	<b>33,290</b>	<b>131,130</b>
<b>PLANP: Planning Policy</b>							
Grant funding for the Brownfield Register was received during the 2018/19 financial year and transferred to the Brownfield Sites Reserve.		-7,397				7,397	
<b>Total Planning Policy</b>		<b>-7,397</b>			<b>-7,397</b>	<b>7,397</b>	<b>0</b>
<b>PNHLP: Pendle Hill Landscape Partnership</b>							
A contribution of £20k was received during 2018/19 from the Pendle Hill Landscape Partnership to be used specifically for planned improvement works on Pendle Hill. This has been set aside in an earmarked reserve to fund future expenditures authorised by the partnership.		-20,000				20,000	
<b>Total Pendle Hill Landscape Partnership</b>		<b>-20,000</b>			<b>-20,000</b>	<b>20,000</b>	<b>0</b>
<b>Other Variances</b>	<b>89</b>	<b>5,494</b>	<b>-3,078</b>	<b>9</b>	<b>2,514</b>	<b>-4,259</b>	<b>-1,745</b>

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
<b>Total Variances for Planning &amp; Development Committee</b>	<b>40,840</b>	<b>3,003</b>	<b>-6,278</b>	<b>9</b>	<b>37,574</b>	<b>79,055</b>	<b>116,629</b>