

# RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

## REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No

meeting date: 24 NOVEMBER 2009  
 title: OVERALL REVENUE MONITORING 2009/10  
 submitted by: DIRECTOR OF RESOURCES  
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### 1 PURPOSE

- 1.1 To inform members of the **overall** position on the revenue budget for the first half of the financial year.
- 1.2 Relevance to the Council's ambitions and priorities:
- ❖ In accordance with the Council's objectives, this report provides members with information to ensure that budget allocation and expenditure is in line with corporate priorities.

### 2 BACKGROUND

- 2.1 The revenue budget, which was approved in March, consists of net expenditure of £7.05m. To achieve a council tax of £137.26, i.e. a 2.95% increase on the previous year, this meant taking £245,794 from general fund balances.
- 2.2 We obviously regard budget monitoring as very important and therefore report to the Corporate Management Team on a monthly basis and to committee quarterly regarding progress/variations. It is critical this exercise continues if we are to be in a strong knowledgeable position to set the 2010/11 budget.
- 2.3 This report therefore consolidates the individual reports that have been considered in the current cycle by individual committees.

### 3 OVERALL SUMMARY

#### 3.1 *General Fund*

Committee	Net Budget to the end of the period £	Actual including Commitments to the end of the period £	Difference £
Community	1,368,894	1,434,497	-65,603
Planning & Development	408,394	456,017	-47,623
Health & Housing	-443,566	-340,207	-103,358
Policy & Finance	2,108,945	2,006,617	102,328
<b>TOTAL</b>	<b>3,442,667</b>	<b>3,556,924</b>	<b>-114,256</b>

- 3.2 The overspend on Community Committee is largely in respect of the increased electricity costs at the Ribblesdale Pool and additional non-recurring costs resulting

from the transfer of sports provision in Longridge from the high school to the gym at the civic hall.

- 3.3 Within Planning & Development Committee the overspend has been mainly due to reduced income from planning fees, which is a reflection of the current economic climate.
- 3.4 Health and Housing Committee shows an overspend mainly due to the increased demand on the benefit section through a high level of claim changes and also a general increase in claims. In the long term this will not impact on the council as this additional cost will be reimbursed to the council by way of subsidy. Again this is a reflection of the current economic climate.
- 3.5 On Policy & Finance Committee the underspend is particularly due to a delay in being invoiced for costs under the concessionary travel pooling arrangement.
- 3.6 Due to the substantial fall in interest rates and the level of resources utilised to fund the 2008/09 capital programme, interest earned is substantially lower than that budgeted for. Originally £125,000 was budgeted to be earned on interest for the full year, but at the end of the first half year only £7,200 interest had been earned. The latest budget forecast shows a revised anticipated level of investment income of £15,000, reflecting the current economic climate and is likely to be achieved.

#### 4 CONCLUSION

- 4.1 The Council's financial position at the end of the half-year is £114,256 worse than anticipated. In addition, for the first half of the financial year investment income was £55,300 below that budgeted for, and is forecast to be £110,000 below the original estimate for the full year. The main reasons for the variance can be summarised as:
- impact of the recession on planning fee income and housing benefit payments
  - increased electricity costs at the pool and non-recurring costs of the transfer of sports provision in Longridge
  - delayed receipt of invoices in respect of the pooling arrangements for concessionary travel.
- 4.2 The overspend for housing benefit payments will clear as the council will be reimbursed by way of subsidy and the underspend on concessionary travel will also clear once invoices have been received.
- 4.2 Progress will continue to be monitored by budget holders, accountants and also Corporate Management Team.

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