

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 17

meeting date: 22 NOVEMBER 2011
 title: REVENUE MONITORING 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the position for the first seven months of this year's revenue budget as far as this committee is concerned.

1.2 Relevance to the Council's ambitions and priorities:

- ❖ In accordance with the overarching corporate priority of the council where one of our objectives is "to maintain critical financial management and controls and ensure the authority provides council tax payers with value for money." This report provides members with information to ensure that budget allocation and expenditure is in line with corporate priorities.

2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period. You will see an overall under spend of £76,085. After allowing for estimated transfers to and from balances and reserves this increases to a net under spend of £183,628.

Cost Centre	Cost Centre Name	Net Budget for the full year £	Net Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	
COMPR	Computer Services	590	213,257	190168	-23,089	R
LICSE	Licensing	52,570	-52,732	-54,427	-1,695	G
LANDC	Land Charges	43,000	-30,735	-18,294	12,441	R
FGSUB	Grants & Subscriptions – Policy & Finance	144,360	124,174	114,409	-9,765	R
CEEXEC	Chief Executives Department	3,790	599,929	545,657	-54,272	R
CLTAX	Council Tax	379,240	24,625	12,052	-12,573	R
NNDRC	National Non Domestic Rates	35,290	782	1,298	516	G
CORPM	Corporate Management	289,010	0	0	0	G
EMERG	Community Safety	55,810	7,979	4,033	-3,946	A
DISTC	District Elections	16,910	0	117,948	117,948	R
ELECT	Register of Electors	75,380	26,232	26,779	547	G
EUROP	European Elections	30	0	0	0	G
LANCS	Lancashire County Elections	10	0	0	0	G
PARIS	Parish Elections	1,050	0	0	0	G

Cost Centre	Cost Centre Name	Net Budget for the full year £	Net Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	
PARLI	Parliamentary Elections	19,550	0	0	0	G
ESTAT	Estates	25,330	-2,062	918	2,980	A
ATTEN	Mayor's Attendant/ Keeper	0	8,436	6,858	-1,578	G
CIVCF	Civic Functions	56,440	19,433	17,734	-1,699	G
COSDM	Cost of Democracy	418,850	124,982	119,920	-5,062	R
MAYCR	Mayoral Transport	0	7,441	7,304	-137	G
FSERV	Financial Services	2,230	346,631	340,178	-6,453	R
VARIOUS	Meals on Wheels and Luncheon Clubs	26,240	29,705	23,622	-6,083	R
CIVST	Civic Suite	-710	22,898	18,075	-4,823	A
CLOFF	Council Offices	140	139,070	138,992	-78	G
FMISC	Policy & Finance Miscellaneous	161,250	77,503	43,654	-33,849	R
PERFM	Performance Reward Grants	52,690	21,000	35,403	14,403	R
SUPDF	Superannuation Deficiency Payments	122,120	80,817	70,562	-10,255	R
LSERV	Legal Services	-1,900	216,279	203,673	-12,606	R
OMDEV	Organisation & Member Development	-1,650	249,592	227,291	-22,301	R
CSERV	Corporate Services	206,510	12,024	14,665	2,641	A
CONCS	Concessionary Travel	51,190	0	4,604	4,604	A
CONTC	Contact Centre	170,010	42,853	53,692	10,839	R
REVUE	Revenues & Benefits	-4,020	330,307	297,567	-32,740	R
Total net cost of services		2,401,310	2,640,420	2,564,335	-76,085	

Items added to / (taken from) balances and reserves					
FNBAL H230	Election Reserve Fund (balance of funds)	19,870	19,870	-63,552	-83,422
FNBAL H263	Government Connect	-4,520	-4,520	-5,239	-719
FNBAL H269	Asset Revaluation Reserve	2,000	0	0	0
FNBAL H278	Land Charges Software	0	0	-9,000	-9,000
FNBAL H326	Performance Reward Grant	-52,690	-21,000	-35,403	-14,403
Net Balances and reserves		-35,340	-5,650	-113,194	-107,544

Net Expenditure	2,365,970	2,634,770	2,451,142	-183,628
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2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are

potential areas of high concern and green variances are areas that currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

- 2.3 We have then extracted the main variations for the items included in the red shaded cost centres and shown them with the budget holder's comments and agreed action plans, in Annex 1.
- 2.4 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.
- 3 CONCLUSION
- 3.1 The comparison between actual and budgeted expenditure shows an under spend of £183,628 for the first seven months of the financial year 2010/11 after allowing for transfers to / from earmarked reserves. However, there are some large fluctuations that make up this net figure.
- 3.2 The cost of district and parish elections and also the referendum on the voting system totalling £117,948 will partly be met from the election reserve fund and partly reimbursed from the Ministry of Justice.
- 3.3 There are substantial under spends of £90,437 on vacant posts within chief executives, organisation & member development, computer section and revenues sections, which are as a result of a freeze on recruitment, as part of the structure review.
- 3.4 A further sizeable variance is on audit fees. Here we are aware that there will be a saving on the original estimate. This is particularly as a result of a rebate in the charge and also confirmation that grants work fees will be lower than anticipated.

SENIOR ACCOUNTANT
PF61-11/TH/AC
7 November 2011

POLICY & FINANCE COMMITTEE

RED VARIANCES

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant																									
CEXEC/0100	Chief Executive's department / salaries	783,040	456,904	423,379	-33,525	R	Vacant posts in environmental health and building control sections, reduced hours being worked by housing strategy officer and no maternity cover in regeneration section	Heads of service have undertaken a review of their service area. Current freeze on recruitment																									
CEXEC/0109	Chief Executive's department / Superannuation	122,170	71,285	63,667	-7,618	R			OMDEV/0100	Organisation & member development / salaries	287,660	167,849	155,409	-12,440	R	Vacant administration assistant and assistant corporate policy officer posts also reduced hours being worked by principal communication officer	Heads of service have undertaken a review of their service area. Current freeze on recruitment	OMDEV/2981	Organisation & member development / postages	2,090	1,222	8,095	6,873	R	Postage costs for September and October still to be recharged to departments	Recharge to services to be carried out as soon as possible	FMISC/5021	Policy & finance miscellaneous / audit fees	87,840	47,910	26,940	-20,970	R
OMDEV/0100	Organisation & member development / salaries	287,660	167,849	155,409	-12,440	R	Vacant administration assistant and assistant corporate policy officer posts also reduced hours being worked by principal communication officer	Heads of service have undertaken a review of their service area. Current freeze on recruitment																									
OMDEV/2981	Organisation & member development / postages	2,090	1,222	8,095	6,873	R	Postage costs for September and October still to be recharged to departments	Recharge to services to be carried out as soon as possible																									
FMISC/5021	Policy & finance miscellaneous / audit fees	87,840	47,910	26,940	-20,970	R	Only received 4 invoices from 12 for 2011/12, these invoices also include an 8% rebate on the planned fee.	Budget to be reduced at revised estimate																									

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
FMISC/5025	Policy & finance miscellaneous / audit fees-grants	28,010	20,654	8,112	-12,542	R	Less grant work invoiced for compared to previous year	Estimate to be reduced at revised estimate to reflect fee indicated in annual audit fee letter received in April 2011.
FGSUB/4677	Grants & Subscriptions - Policy & Finance / Grants to Precepting Bodies	20,000	20,000	12,506	-7,494	R	Concurrent function grants to parish councils less than provision	Closely monitor for any further applications.
SUPDF/1026	Superannuation Deficiency Payment / Deficiency Payment	116,320	77,518	67,267	-10,251	R	Delay in receiving 2nd half year invoice from Tameside MBC and delay in preparing direct debit entry for October payment to LCC	Direct debit entry for the general ledger to be arranged as soon as possible
DISTC/ Various	District election / various costs	16,910	0	117,948	117,948	R	Cost of district and parish elections and also the referendum on the voting system held in May 2011	Cost to be split between elections once all invoices received. Costs associated with district and parish elections to be met from election reserve fund. Claim to be made for cost of the referendum.
LSERV/0100	Legal services / salaries	237,020	138,300	144,328	6,028	R	Additional salary cost to cover long-term sickness of electoral & licensing officer post.	Budget to be increased at revised estimate
LANDC/8408z	Land charges / search fee	-73,300	-44,104	-39,075	5,029	R	Reduced income possibly as a result of economic climate	Income to be reassessed at revised estimate

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ESTAT/2401	Estates / repair & maintenance on-costed wages	0	0	8,806	8,806	R	Expenditure is mainly the cost of repairing the wall at Littlemoor Rd for which a £2.5k earmark reserve was established at the end of 2010/11	Request has been made to service manager to supply a virement form to cover overspend
LANDC/2998	Land charges/ software maintenance	5,340	5,340	14,025	8,685	R	Cost of implementation of new land charges system	Cost of new system to be met from existing budgets and earmarked reserve funds. Virement to be requested from under spends on legal services reference books.
LSERV/2976	Legal services / reference books	22,200	22,200	14,777	-7,423	R	New online contract arranged	Savings to be used as a contribution towards cost of new land charges system.
COMPR/0100	Computer services / salaries	115,640	67,475	57,602	-9,873	R	Vacant computer administrator post.	Heads of service have undertaken a review of their service area. Current freeze on recruitment
PERFM/3012	Performance reward grants / grants to other bodies	0	0	14,403	14,403	R	Expenditure on village amenity schemes slipped into new financial year.	Expenditure to be met from earmarked reserve fund. Estimates to be reviewed at revised estimate
CONTC/2998	Contact Centre / Software maintenance	0	0	13,800	13,800	R	Commitment for replacement CRM System	Estimate to be reviewed at revised estimate

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
REVUE/0100	Revenues & benefits / salaries	445,530	259,967	238,239	-21,728	R	Vacant clerical assistant, recovery assistant and benefits assistant posts.	Heads of service have undertaken a review of their service area. Current freeze on recruitment
REVUE/0109	Revenues & benefits / Superannuation	71,880	41,940	36,309	-5,631	R		

POLICY & FINANCE COMMITTEE

AMBER VARIANCES

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
CEXEC/0101	Chief Executive's department / salaries overtime	0	0	2,916	2,916	A	Overtime cover for vacant posts in environmental health
CEXEC/1013	Chief Executive's department / tuition fees	5,110	2,982	225	-2,757	A	Freeze on non essential training
CEXEC/1040	Chief Executive's department / employee insurance	6,580	6,580	4,276	-2,304	A	Proportion of employee insurance charged to this service. An element of this recharge is based on claim history.
CEXEC/2643	Chief Executive's department / car allowances	12,190	7,140	4,197	-2,943	A	Fewer mileage claims as a result of vacant posts in environmental health section
OMDEV/0109	Organisation & member development / Superannuation salaries	47,460	27,694	24,778	-2,916	A	Vacant administration assistant and assistant corporate policy officer posts also reduced hours being worked by principal communication officer

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
OMDEV/1023	Organisation & member development / corporate training	13,830	8,070	3,457	-4,613	A	Freeze on non essential training
CLOFF/2402	Council offices / repair & maintenance	32,900	19,195	21,502	2,307	A	Various commitments including replacement windows and carpet tiles has resulted in the current variation but still within full year budget provision
EMERG/2881	Community safety / purchase of equipment & materials	11,990	6,995	2,098	-4,897	A	Partnership working has resulted in some savings, these are being earmarked to rewrite the district emergency and business continuity plans
FGSUB/3013	Grants & subscriptions / subscriptions	28,930	24,954	22,243	-2,711	A	Final payment to the community foundation still to pay, due at the end of 2010/11. No invoiced received.
FMISC/5029	Policy & finance miscellaneous / credit card fee	0	0	3,056	3,056	A	No budget provision as this expenditure is netted off interest and credit card charges received at the end of the financial year, therefore the balance at the end of the financial year will be nil on this code
CONCS/2662	Concessionary Travel / Community Transport	51,190	0	4,571	4,571	A	Interim funding for community transport and final reconciliation invoice for 2010/11
COMPR/2997	Computer services / hardware maintenance	8,480	4,947	2,498	-2,449	A	Freeze on non essential expenditure

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
COMPR/2998	Computer services / software maintenance	104,580	91,632	86,850	-4,782	A	Freeze on non essential expenditure
COMPR/3006	Computer services / government connect	20,020	15,193	12,626	-2,567	A	Only part year invoice received.
BILMW/4355	Billington meals on Wheels / Catering Concessions	6,320	3,707	1,565	-2,142	A	Procurement of meals from a different supplier has resulted in unit cost savings.
CHBMW/4355	Chatburn meals on wheels / Catering Concession	6,320	3,692	1,565	-2,127	A	
LSERV/3090	Legal services / legal fees	2,990	1,745	3,809	2,064	A	Court proceedings being undertaken by section to recover long term outstanding debts
LSERV/8113z	Legal services / legal fees	-1,990	-1,162	-3,974	-2,812	A	Court costs awarded by court added to outstanding debtor accounts. These are being recovered from debtors as shown below.
LANDC/1040	Land charges / employee insurance	4,450	4,450	1,849	-2,601	A	Share of employee insurance less than anticipated. Estimate based on 2010 actual
ESTAT/8804u	Estates / building rent	-1,750	-1,750	-5,000	-3,250	A	Additional income from increase in rent of Longridge Youth Club

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
CLTAX/2971	Council tax / printing & stationery	6,830	2,953	-241	-3,194	A	Provision was made for printing council tax leaflets in 2010/11.
CLTAX/2971	Council tax / postages	19,830	8,335	5,629	-2,706	A	Delay in being recharged for cost of September and October postages
REVUE/0108	Revenues & benefits / national insurance	28,390	16,565	14,228	-2,337	A	Vacant clerical assistant, recovery assistant and benefits assistant posts.