

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

INFORMATION

Agenda Item No 21

meeting date: 20 NOVEMBER 2012  
 title: REVENUE MONITORING 2012/13  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: TRUDY HOLDERNESS

## 1 PURPOSE

1.1 To let you know the position for the first 7 months of this year's revenue budget as far as this committee is concerned.

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 maintain critical financial management controls, ensuring the authority provides council tax payers with value for money.
- ❖ Other Considerations – none identified.

## 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 underspend of £80,096 on the net expenditure, after allowing for estimated transfers to and from balances and reserves. Please note that underspends are denoted by figures with a minus symbol.

| Cost Centre | Cost Centre Name                          | Net Budget for the full year<br>£ | Net Budget to the end of the period<br>£ | Actual including Commitments to the end of the period<br>£ | Variance<br>£ |   |
|-------------|---|-----------------------------------|--|--|---------------|---|
| ALBNM       | Albion Mill                               | -2,770                            | 4,932                                    | 11,533   | 6,601         | R |
| INDDV       | Economic development                      | 80,580                            | 4,147                                    | 6,430  | 2,283         | A |
| COMPR       | Computer Services                         | 0                                 | 205,953                                  | 209,463  | 3,510         | R |
| LICSE       | Licensing                                 | 35,070                            | -53,273                                  | -72,988  | -19,715       | R |
| LANDC       | Land Charges                              | 29,510                            | -34,962                                  | -33,575  | 1,387         | G |
| FGSUB       | Grants & Subscriptions – Policy & Finance | 153,950                           | 122,820                                  | 122,902  | 82            | G |
| CEXEC       | Chief Executives Department               | 0                                 | 595,929                                  | 581,628  | -14,301       | R |
| CLTAX       | Council Tax                               | 321,170                           | 24,659                                   | 18,125   | -6,534        | R |
| NNDRC       | National Non Domestic Rates               | 31,290                            | 666                                      | -1,496   | -2,162        | A |
| CORPM       | Corporate Management                      | 298,040                           | 0  | 0  | 0             | G |
| EMERG       | Community Safety                          | 60,000                            | 5,715                                    | 2,989  | -2,726        | A |
| DISTC       | District Elections                        | 11,540                            | 0  | -483   | -483          | G |
| ELECT       | Register of Electors                      | 69,910                            | 41,153                                   | 41,454   | 301           | G |
| POLIC       | Police Elections                          | 20,880                            | 0  | 0  | 0             | G |

| Cost Centre                       | Cost Centre Name                   | Net Budget for the full year<br>£ | Net Budget to the end of the period<br>£ | Actual including Commitments to the end of the period<br>£ | Variance<br>£  |   |
|-----------------------------------|------------------------------------|-----------------------------------|--|--|----------------|---|
| ESTAT                             | Estates                            | 7,420                             | -12,972                                  | -18,297  | -5,325         | R |
| ATTEN                             | Mayor's Attendant/ Keeper          | 0                                 | 8,251                                    | 7,787  | -464           | G |
| CIVCF                             | Civic Functions                    | 57,050                            | 19,613                                   | 16,627   | -2,986         | A |
| COSDM                             | Cost of Democracy                  | 424,530                           | 127,640                                  | 122,259  | -5,381         | R |
| MAYCR                             | Mayoral Transport                  | 0                                 | 7,907                                    | 6,862  | -1,045         | G |
| FSERV                             | Financial Services                 | 0                                 | 351,346                                  | 337,870  | -13,476        | R |
| VARIOUS                           | Meals on Wheels and Luncheon Clubs | 19,860                            | 24,084                                   | 18,739   | -5,345         | R |
| CIVST                             | Civic Suite                        | 0                                 | 23,500                                   | 19,898   | -3,602         | A |
| CLOFF                             | Council Offices                    | 0                                 | 137,090                                  | 139,094  | 2,004          | A |
| FMISC                             | Policy & Finance Miscellaneous     | 153,170                           | 22,482                                   | 22,585   | 103            | G |
| PERFM                             | Performance Reward Grants          | 37,000                            | 0  | 69,800   | 69,800         | R |
| SUPDF                             | Superannuation Deficiency Payments | 125,080                           | 82,764                                   | 73,351   | -9,413         | R |
| LSERV                             | Legal Services                     | 0                                 | 195,469                                  | 192,213  | -3,256         | A |
| OMDEV                             | Organisation & Member Development  | 0                                 | 215,781                                  | 208,735  | -7,046         | R |
| CSERV                             | Corporate Services                 | 185,850                           | 11,064                                   | 13,101   | 2,037          | A |
| CONTC                             | Contact Centre                     | 126,250                           | 73,224                                   | 69,176   | -4,048         | A |
| REVUE                             | Revenues & Benefits                | 0                                 | 273,161                                  | 276,890  | 3,729          | A |
| <b>Total net cost of services</b> |                                    | <b>2,245,380</b>                  | <b>2,478,143</b>                         | <b>2,462,672</b>   | <b>-15,471</b> |   |

| Items added to / (taken from) balances and reserves |                                 |                  |                  |                  |                |
|---|---------------------------------|------------------|------------------|------------------|----------------|
| FNBAL H230  | Election Reserve Fund           | 20,370           | 0                | 0                | 0              |
| FNBAL H269  | Asset Revaluation Reserve       | 2,000            | 0                | 0                | 0              |
| FNBAL H326  | Performance Reward Grant        | -37,000          | 0                | -69,800          | -69,800        |
| CPBAL H330  | Revenue Contribution to Capital | 8,270            | 0                | 5,175            | 5,175          |
| <b>Net Balances and reserves</b>                    |                                 | <b>-6,360</b>    | <b>0</b>         | <b>-64,625</b>   | <b>-64,625</b> |
| <b>Net Expenditure</b>                              |                                 | <b>2,239,020</b> | <b>2,478,143</b> | <b>2,398,047</b> | <b>-80,096</b> |

- 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.
- 2.5 In summary the main areas of variance which are unlikely to rectify themselves by the end of the financial year are summarised below. Please note favourable variances are denoted by figures with a minus symbol.

| Description   | Variance to end of October 2012<br>£ |
|---|--------------------------------------|
| <b>ALBNM – Albion Mill</b> – reduced income from rents due to units 2 and 3 being vacant in the period, partly to be offset by rent owing on unit 1   | 6,160                                |
| <b>LSERV – Legal Services</b> – An allowance is made in the budget for staff turnover. This turnover has been low, resulting in part of the variance shown. There has also been additional costs resulting from maternity cover | 5,463                                |
| <b>REVUE – Revenues &amp; Benefits</b> – An allowance is made in the budget for staff turnover. This turnover has been low, resulting in the variance shown.  | 5,267                                |

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £80,096 for the first 7 months of the financial year 2012/13, however there are some large fluctuations that make up this net figure, some of which will be offset by future expenditure.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF63-12/TH/AC  
1 November 2012

BACKGROUND WORKING PAPERS:  
Policy & Finance budget monitoring working papers

For further information please ask for Trudy Holderness, extension 4436

## POLICY &amp; FINANCE COMMITTEE

## ANNEX 1

## RED VARIANCES

| Ledger Code | Ledger Code Name  | Budget for the Full Year<br>£ | Budget to the end of the period<br>£ | Actual including Commitments to the end of the period<br>£ | Variance<br>£ |   | Reason for Variance   | Action Plan as agreed between the Budget Holder and Accountant                                  |
|-------------|---|-------------------------------|--------------------------------------|--|---------------|---|---|---|
| ALBNM/8805I | Albion Mill / Land Rents                                | -33,100                       | -16,550                              | -10,390  | 6,160         | R | Unit 2 vacant until end of April, Unit 3 vacant until mid June and rent owing on unit 1.                        | Agents pursuing arrears.  |
| PERFM/3012  | Performance Reward Grants / Grants to Other Bodies      | 20,000                        | 0                                    | 59,800   | 59,800        | R | Grant payments slipped from 2011/12 to 2012/13  | Budget to be introduced at revised estimate, expenditure to be met from earmarked reserve fund. |
| PERFM/4677  | Performance Reward Grants / Grants to Precepting Bodies | 17,000                        | 0                                    | 10,000   | 10,000        | R |   |   |
| LSERV/0100  | Legal Services / Salaries                               | 226,180                       | 131,975                              | 137,438  | 5,463         | R | Staff turnover provision is not currently being achieved and additional cost being incurred for maternity cover | No action at present  |
| LISCE/2998  | Licensing / Software Maintenance                        | 13,820                        | 13,820                               | 4,367  | -9,453        | R | Delay in payment for Lalpac software maintenance due October  | Ownership of Lalpac has changed which has possibly led to a delay in billing                    |

| Ledger Code | Ledger Code Name   | Budget for the Full Year<br>£ | Budget to the end of the period<br>£ | Actual including Commitments to the end of the period<br>£ | Variance<br>£ |   | Reason for Variance   | Action Plan as agreed between the Budget Holder and Accountant   |
|-------------|--|-------------------------------|--------------------------------------|--|---------------|---|---|--|
| LICSE/8437u | Licensing / Premises Licenses                                  | -56,620                       | -42,301                              | -48,195  | -5,894        | R | More renewals made in first 7 months of 2012/13 compared to 2011/12                               | No action at present   |
| ESTAT/8832u | Estates / Ground Rents General                                 | -960                          | -348                                 | -5,658   | -5,310        | R | Freeholds sales to the value of £5.2k   | Income to be transferred to earmarked reserve fund at the year end   |
| REVUE/0100  | Revenues & Benefits / Salaries                                 | 363,180                       | 214,639                              | 219,906  | 5,267         | R | Staff turnover provision is not currently being achieved  | Budget to be adjusted for revised estimate   |
| SUPDF/1026  | Superannuation Deficiency Payments / Superannuation Deficiency | 118,990                       | 79,297                               | 69,886   | -9,411        | R | Delay in October direct debit payment being taken by Lancashire County Council in 2012/13         | Have made contact with LCC, they had previously experienced problems with taking payments, payment made 2 November |
| COMPR/2809  | Computer Services / Non Recurring Purchases of Equipment       | 0                             | 0                                    | 8,395  | 8,395         | R | Upgrade to server   | Additional memory for Northgate System, mandatory update. Cost will be met from earmarked reserve.                 |
| FSERV/0100  | Financial Services / Salaries                                  | 436,320                       | 254,594                              | 249,041  | -5,553        | R | Vacant posts within audit section, now filled and reduced hours being worked by Senior Accountant | Budget to be adjusted for revised estimate   |

| Ledger Code | Ledger Code Name                                       | Budget for the Full Year<br>£ | Budget to the end of the period<br>£ | Actual including Commitments to the end of the period<br>£ | Variance<br>£ |   | Reason for Variance  | Action Plan as agreed between the Budget Holder and Accountant |
|-------------|--|-------------------------------|--------------------------------------|--|---------------|---|--|--|
| OMDEV/1023  | Organisation & Member Development / Corporate Training | 13,830                        | 8,070                                | 1,627  | -6,443        | R | Waiting for identified training needs to come through following appraisals, then can assess any corporate requirements | Budget to be adjusted for revised estimate                     |

## POLICY &amp; FINANCE COMMITTEE

## AMBER VARIANCES

| Ledger Code | Ledger Code Name                          | Budget for the Full Year<br>£ | Budget to the end of the period<br>£ | Actual including Commitments to the end of the period<br>£ | Variance<br>£ |   | Reason for Variance   |
|-------------|---|-------------------------------|--------------------------------------|--|---------------|---|---|
| CEXEC/0100  | Chief Executive / Salaries                | 763,670                       | 445,602                              | 441,515  | -4,087        | A | Vacant trainee building surveyors and part-time pest control and environmental health officer posts               |
| CEXEC/0109  | Chief Executive / Salaries Superannuation | 126,880                       | 74,034                               | 71,703   | -2,332        | A |   |
| CEXEC/0101  | Chief Executive / Salaries Overtime       | 280                           | 165                                  | 2,923  | 2,758         | A | Additional hours worked mainly to cover vacant part time pest control officer post                                |
| CEXEC/1040  | Chief Executive / Employee Insurances     | 4,280                         | 4,280                                | 2,139  | -2,141        | A | Share of employee insurance less than anticipated.  |
| LSERV/2976  | Legal Services / Reference Books          | 17,200                        | 13,244                               | 9,434  | -3,810        | A | New subscriptions arranged  |
| LICSE/8456u | Licensing /Gambling Act 2005              | -2,800                        | -1,635                               | -4,600   | -2,965        | A | Recent receipt of £2.2 K for licence of betting premises.   |
| LANDC/8408z | Land Charges / Search Fee                 | -71,800                       | -41,895                              | -38,972  | 2,923         | A | Below 3 year average income received as a consequence of Environmental Information Regulations and Housing Market |



| Ledger Code | Ledger Code Name                                      | Budget for the Full Year<br>£ | Budget to the end of the period<br>£ | Actual including Commitments to the end of the period<br>£ | Variance<br>£ |   | Reason for Variance  |
|-------------|---|-------------------------------|--------------------------------------|--|---------------|---|--|
| CIVST/2402  | Civic Suite / Repair & Maintenance - Buildings        | 10,930                        | 6,377                                | 4,187  | -2,190        | A | Commitment for annual service for fire alarm and boiler and cleaning of carpets  |
| CLOFF/2402  | Council Offices / Repair & Maintenance Buildings      | 34,900                        | 19,979                               | 24,662   | 4,683         | A | Commitment for annual service for fire alarms and emergency lighting and roof repairs to stop water ingress            |
| EMERG/2881  | Community Safety / Purchase of Equipment & Materials  | 6,190                         | 4,406                                | 1,428  | -2,978        | A | No emergency planning exercises have taken place to date. Work on business continuity plan / emergency plan on-going   |
| CONTC/0100  | Contact Centre / Salaries                             | 109,280                       | 55,187                               | 51,412   | -3,775        | A | Vacant part time posts   |
| CONTC/2809  | Contact Centre / Non Recurring Purchases of Equipment | 0                             | 0                                    | 2,154  | 2,154         | A | Equipment for new contact centre. Cost to be met from earmarked reserves   |
| NNDRC/8012z | National Non Domestic Rates / Section 31 Grant        | 0                             | 0                                    | -2,500   | -2,500        | A | New burden grant to cover the additional costs associated with implementing the business rates deferral scheme 2012/13 |
| REVUE/0101  | Revenues & Benefits / Salaries Overtime               | 0                             | 0                                    | 2,030  | 2,030         | A | Additional hours being worked mainly in Benefits Section to cover staff turnover                                       |

| Ledger Code | Ledger Code Name                                   | Budget for the Full Year<br>£ | Budget to the end of the period<br>£ | Actual including Commitments to the end of the period<br>£ | Variance<br>£ |   | Reason for Variance   |
|-------------|--|-------------------------------|--------------------------------------|--|---------------|---|---|
| FSERV/0109  | Financial Services / Salaries Superannuation       | 74,310                        | 43,360                               | 40,690   | -2,670        | A | Vacant posts within audit section, now filled and reduced hours being worked by Senior Accountant                 |
| CROMW/4354  | Clitheroe Meals on Wheels / Purchase of Meals      | 18,420                        | 9,212                                | 5,961  | -3,252        | A | Reduction in number of recipients. In April 408 meals were purchased compared to 326 in September.                |
| FMISC/5025  | Policy & Finance Miscellaneous / Audit-Fees-Grants | 25,240                        | 14,729                               | 17,324   | 2,595         | A | Commitment raised for National fraud initiative annual fee, unsure of final amount for grant audit work           |
| OMDEV/0100  | Organisation & Member Development / Salaries       | 236,430                       | 140,675                              | 145,096  | 4,421         | A | An allowance is made in the budget for staff turnover. This turnover has been low resulting in the variance shown |