

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 16

meeting date: 28 OCTOBER 2014
 title: REVENUE MONITORING 2014/15
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To let you know the position for the first six 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 £53,004 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 £	Net Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	
ALBNM	Albion Mill	110	7,079	9,547	2,468	A
CONTI	Continental Market	0	1,250	-177	-1,427	G
INDDV	Economic development	92,040	13,210	12,262	-948	G
COMPR	Computer Services	0	250,543	252,074	1,531	G
LICSE	Licensing	10,130	-53,870	-54,256	-386	G
LANDC	Land Charges	33,370	-28,137	-27,475	662	G
FGSUB	Grants & Subscriptions – P & F	144,500	128,606	127,683	-923	G
CEXEC	Chief Executives Department	0	484,399	472,348	-12,051	R
CLTAX	Council Tax	327,860	26,923	22,875	-4,048	A
NNDRC	National Non Domestic Rates	46,210	526	671	145	G
CORPM	Corporate Management	357,170	0	0	0	G
EMERG	Community Safety	59,330	2,327	2,556	229	G
DISTC	District Elections	0	0	-369	-369	G
ELADM	Election Administration	32,970	0	0	0	G
ELECT	Register of Electors	76,640	4,643	5,940	1,297	G

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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 £	
EUROP	European Elections	0	0	0	0	G
PARLI	Parliamentary Elections	0	0	27	27	G
ESTAT	Estates	9,620	-18,224	-16,403	1,821	G
ATTEN	Mayor's Attendant/ Keeper	0	7,142	5,544	-1,598	G
CIVCF	Civic Functions	60,740	19,260	16,321	-2,939	A
COSDM	Cost of Democracy	439,050	111,393	109,174	-2,219	A
MAYCR	Mayoral Transport	0	6,634	6,031	-603	G
WWOCO	World War One Commemoration	0	0	8,703	8,703	R
FSERV	Financial Services	0	305,393	294,370	-11,023	R
VARIOUS	Meals on Wheels & Luncheon Clubs	15,560	9,389	6,126	-3,263	A
CIVST	Civic Suite	0	23,636	23,890	254	G
CLOFF	Council Offices	0	131,987	127,221	-4,766	A
FMISC	Policy & Finance Miscellaneous	-153,200	61,078	62,273	1,195	G
PERFM	Performance Reward Grants	27,190	0	8,651	8,651	R
SUPDF	Superannuation Deficiency Paym'ts	126,920	62,329	63,108	779	G
LSERV	Legal Services	-16,400	152,772	147,320	-5,452	R
OMDEV	Organisation & Member Development	0	184,141	174,165	-9,976	R
CSERV	Corporate Services	179,880	8,668	11,822	3,154	A
CONTC	Contact Centre	0	128,780	126,713	-2,067	A
REVUE	Revenues & Benefits	0	234,595	234,722	127	G
Total net cost of services		1,869,690	2,266,472	2,233,457	-33,015	

Items added to / (taken from) balances and reserves					
FNBAL H230	Election Reserve Fund	21,450	0	342	342
FNBAL H354	Community right to Bid / Challenge	16,400	16,402	16,402	0
FNBAL H276	Promotional Activities - WWI and Ribble Valley News	0	0	-11,680	-11,680
FNBAL H269	Asset Revaluation Reserve	-8,000	0	0	0
FNBAL H326	Performance Reward Grant	-23,510	0	-8,651	-8,651
FNBAL F719	Vat Shelter	279,300	0	0	0
Net Balances and reserves		285,640	16,402	-3,587	-19,989
Net Expenditure		2,155,330	2,282,874	2,229,870	-53,004

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 September £
LANDC- Land Charges Additional income from search fees as a result of an increase in number of searches received compared to previous year.	-6,484
OMDEV – Organisation and Member Development Corporate training plan has only recently been put together and agreed by Corporate Management Team	-5,325

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £53,004 on the first six months of the financial year 2014/15, however there are some large fluctuations that make up this net figure, some of which will be offset by future income/expenditure.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

BACKGROUND WORKING PAPERS

Policy & Finance budget monitoring working papers

PF57-14/TH/AC

14 October 2014

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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
CSERV/3264	Corporate Services / Ribble Valley News	10,280	-251	5,180	5,431	R	Delay in production & distribution of spring edition of the Ribble Valley News	Funding of £5,610 has been set aside in an earmarked reserve to fund the slippage of expenditure. This will be added to the budget provision at revised estimate
OMDEV/1023	Organisation and Member Development/Corporate Training	14,570	7,286	1,961	-5,325	R	Corporate training plan has only recently been put together and agreed by CMT	Budget holder to proceed with the plan and arrange sessions
ELECT/2881	Register of Electors / Purchase of Equipment and Materials	200	102	5,716	5,614	R	The variance is due to the purchase of A3 scanners funded from additional IER grant received	A revised budget is to be prepared to include monies set aside from 2013/14 and the grant monies from 2014/15
ELECT/8050z	Register of Electors / Individual Electoral Registration Grant	-21,600	-21,600	-34,650	-13,050	R	Additional Individual Electoral registration Grant (IER) received	
WWOCO/2887	World War One Commemoration / Trees, Seeds, Shrubs and Plants	0	0	6,973	6,973	R	Mayor's tree planting scheme to commemorate WW1, which is to be funded from monies set aside in 2013/14	Budget to be established at revised estimate, partly funded from an earmarked reserve established to fund this 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	Action Plan as agreed between the Budget Holder and Accountant
LANDC/8408z	Land Charges / Search Fee	-70,610	-35,833	-42,317	-6,484	R	Increase in number of searches received compared to previous year	No action at present
PERFM/3012	Performance Reward Grant / Grants to Other Bodies	0	0	6,800	6,800	R	Slippage of grant payment to Whalley Playing Fields from 2013/14 to 2014/15	Cost to be funded from earmarked reserve established for his purpose
FSERV/0100	Financial Services / Salaries	443,300	221,738	215,942	-5,797	R	Vacant senior accountant posts within the Accountancy section	All vacant posts have now been filled, budget
COMPR/0100	Computer Services / Salaries	115,810	57,928	51,632	-6,296	R	The structure of section has been reviewed due to problems with recruiting staff. The reviewed structure is to be implemented from July. The section is now fully staffed.	The change in the staffing structure of the section will be reflected in the revised budget for the section
COMPR/2809	Computer Services / Non Recurring Purchase of Equipment	0	0	9,025	9,025	R	The variance is a combination of consultancy days for checkpoint £1.8k and support costs for upgrading Civic icon system £7.2k	Virements to be arranged

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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
ALBNM/8805I	Albion Mill /Land Rents	-33,650	-16,187	-12,884	3,303	A	Rent is collected by Robert Pinkus and only paid to the council quarterly. Units 1, 2 and 3 are currently in arrears. An agreement has been reached with one of the tenants
CEXEC/0100	Chief Executive / Salaries	720,620	360,452	356,979	-3,473	A	The variance is a combination of vacant posts in Environmental Health and maternity leave offset by employing temporary Environmental Health Officer.
CIVST/2402	Civic Suites / Repair & Mtce - Buildings	11,340	5,670	9,885	4,215	A	The variance is a combination of commitments that have been placed for £1.8k for boiler service and annual / periodical testing of equipment and the cost of £2.2k for the supply and installation of new microphones, amplifiers and hearing loop.
NNDRC/3090	National Non Domestic Rates / Legal Expenses	0	0	3,750	3,750	A	Professional fee incurred on claim against the Council
NNDRC/8720z	National Non Domestic Rates / Enterprise Zone - Business Rates	0	0	-2,997	-2,997	A	Awaiting information for payment of Business Rates growth experienced in 2013/14 to the Enterprise Zone
LSERV/3090	Legal Services/Legal	6,600	3,402	1,163	-2,239	A	Less court action taken compared to the same period in 2013/14 due to a staff vacancy in the section
ESTAT/2451	Estates/National Non Domestic Rates	0	0	2,680	2,680	A	National Non Domestic Rates paid on newly acquired vacant physiotherapy centre

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
ELECT/0110	Register of Electors/Wages	0	0	2,487	2,487	A	The variance is due to temporary staffing costs in preparation of Individual Electoral Registration, which is funded from grant provided for this purpose
ELECT/2971	Register of Electors/Printing and Stationery	5,250	5,250	8,901	3,651	A	The variance is due to the commitment for additional artwork and printing costs in preparation of Individual Electoral Registration which is funded from grant provided for this purpose
ELECT/2981	Register of Electors/Postages	14,730	12,829	15,762	2,933	A	The variance is due to additional postage costs in preparation of Individual Electoral Registration which is funded from grant provided for this purpose
LANDC/2998	Land Charges/Software Maintenance	1,920	1,920	5,560	3,640	A	Budget provision for one user. Budget holder agreed to cover cost of 3 additional users. Virement to be approved form legal services reference book provision.
LANDC/3090	Land Charges/Legal	0	0	2,822	2,822	A	Legal costs incurred on property search litigation, cost to be funded from earmarked reserve
LICSE/8437u	Licensing/Premises Licences	-58,750	-35,854	-33,032	2,822	A	Slight decrease in income from premises licences compared to 2013
LICSE/8456u	Licensing/Gambling Act 2005	-3,400	-1,702	-4,152	-2,450	A	A payment of £2.6k has recently been received for a gambling premises licence

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/2968	Computer Services/ Hire of Plant	0	0	2,081	2,081	A	Due to the failure of the main air conditioning unit, temporary units have been hired to keep the temperature in the IT server room at the required level. This is a temporary measure whilst replacement units are instated.
COMPR/2968	Computer Services/Enterprise Agreements	0	0	3,282	3,282	A	Core systems licence costs for 2014/15 to be funded from existing budgets
OMDEV/2981	Organisation & Member Development / Postages	1,060	532	3,194	2,662	A	Postage costs to be recharged to departments