

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 18

meeting date: 8 SEPTEMBER 2015
 title: REVENUE MONITORING 2015/16
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the position for the first four 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 £56,617 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	490	-1,077	1,058	2,135	A
CONTI	Continental Market	0	0	-686	-686	G
INDDV	Economic development	90,930	4,870	6,287	1,417	G
TOURB	Tour of Britain	90,000	72,000	71,050	-950	G
COMPR	Computer Services	0	177,724	150,359	-27,365	R
LICSE	Licensing	10,470	-16,345	-21,485	-5,140	R
LANDC	Land Charges	29,860	-16,077	-33,504	-17,427	R
FGSUB	Grants & Subscriptions – P & F	146,830	116,331	115,018	-1,313	G
CEEXEC	Chief Executives Department	0	318,374	305,063	-13,311	R
CLTAX	Council Tax	327,210	15,518	18,024	2,506	A
NNDRC	National Non Domestic Rates	51,890	1,716	-6,415	-8,131	R
CORPM	Corporate Management	324,830	0	0	0	G
EMERG	Community Safety	64,220	2,992	5,244	2,252	A

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	
		£	£	£	£	
DISTC	District Elections	77,750	77,750	52,126	-25,624	R
ELADM	Election Administration	44,790	0	0	0	G
ELECT	Register of Electors	93,260	27,812	14,067	-13,745	R
ESTAT	Estates	10,440	-6,645	3,654	10,299	R
ATTEN	Mayor's Attendant/ Keeper	0	4,166	5,095	929	G
CIVCF	Civic Functions	59,660	18,082	16,715	-1,367	G
COSDM	Cost of Democracy	455,160	76,165	75,945	-220	G
MAYCR	Mayoral Transport	0	6,077	6,028	-49	G
FSERV	Financial Services	0	204,661	207,018	2,357	A
VARIOUS	Meals on Wheels & Luncheon Clubs	13,960	5,803	2,154	-3,649	A
CIVST	Civic Suite	0	17,568	16,735	-833	G
CLOFF	Council Offices	0	104,839	100,440	-4,399	A
FMISC	Policy & Finance Miscellaneous	-63,320	3,736	5,521	1,785	G
PERFM	Performance Reward Grants	14,140	3,988	7,082	3,094	A
SUPDF	Superannuation Deficiency Paym'ts	119,090	23,626	17,141	-6,485	R
LSERV	Legal Services	0	115,410	113,932	-1,478	G
OMDEV	Organisation & Member Development	0	119,653	112,183	-7,470	R
CSERV	Corporate Services	176,600	8,333	10,333	2,000	A
CONTC	Contact Centre	0	83,429	79,630	-3,799	A
REVUE	Revenues & Benefits	0	155,596	159,353	3,757	G
Total net cost of services		2,138,260	1,726,075	1,615,165	-110,910	

Items added to / (taken from) balances and reserves					
FNBAL H230	Election Reserve Fund	-55,870	-77,750	-52,126	25,624
FNBAL H272	Land Charges Restitution Reserve	0	0	18,323	18,323
FNBAL H276	Promotional Activities - Tour of Britain & Ribble Valley News	0	0	-3,460	-3,460
FNBAL H269	Asset Revaluation Reserve	2,000	0	0	0
FNBAL H326	Performance Reward Grant	-61,935	-3,988	-7,082	-3,094
FNBAL H362	Individual Electoral Registration Reserve	-14,570	0	16,900	16,900
FNBAL F719	Vat Shelter	180,000	0	0	0
Net Balances and reserves		49,625	-81,738	-27,445	54,293

Net Expenditure	2,187,886	1,644,337	1,587,720	-56,617
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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.
- 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.

	Variance to end of July £
CEXEC – Chief Executive Department The reduced salary cost is mainly due to vacant part-time posts in Building Control and Environmental Health Sections.	-7,658
CLTAX – Council Tax The council had been overcharged for prepaid response service from Royal Mail. Following a challenge to Royal Mail the council has received a compensation payment for the error.	-10,000
ELECT – Register of Electors A section 31 grant has been received from the Ministry of Justice to assist with the cost of implementation of individual electoral registration	-16,900

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £56,617 on the first four months of the financial year 2015/16, 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

PF42-15/TH/AC
19 August 2015

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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
CEXEC/0100	Chief Executive Department / Salaries	706,770	235,778	228,120	-7,658	R	The variance is mainly due to vacant part-time posts in Building Control and Environmental Health Sections	The budget will be reviewed at Revised Estimate time
REVUE/0100	Revenues & Benefits / Salaries	363,690	121,324	127,325	6,001	R	The provision for staff turnover is currently not being achieved. However, turnover may occur in the remaining 8 months of the year	The budget will be reviewed at Revised Estimate time
CLTAX/2998	Council Tax / Software Maintenance	2,690	2,690	18,538	15,848	R	From April 2015 the support and maintenance contract for the Northgate revenues and benefits system has been charged direct to the service rather than to computer services.	The change in allocation of this cost will be reflected in the budget at Revised Estimate time
CLTAX/8569z	Council Tax / Compensation	0	0	-10,000	-10,000	R	The council had been overcharged for prepaid response service from Royal Mail. Following a challenge to Royal Mail the council has received a compensation payment for the error.	The budget will be reviewed at Revised Estimate time to allow for this payment

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
NNDRC/8720z	National Non Domestic Rates / Enterprise Zone - Business Rates	0	0	-13,005	-13,005	R	This is Business Rates growth income which is due to the Enterprise Zone	The whole of this amount will be paid over to the Enterprise Zone
DISTC/VARIOUS	District Elections / Various	77,750	77,750	52,126	-25,624	R	The district elections ran in conjunction with the parliamentary elections, not all costs have been split between the two elections.	Expenditure on both elections to be reviewed and an appropriate split made. The cost of the Parliamentary Election will be claimed back from the Government
ELECT/8050z	Register of Electors / Individual Electoral Registration Grant	0	0	-16,900	-16,900	R	A section 31 grant has been received from the Ministry of Justice to assist with the cost of implementation of individual electoral registration	Income to be added to earmarked reserve at year end to meet future expenditure.
LANDC/3090	Land Charges / Legal	0	0	26,200	26,200	R	The variance is a combination of Ribble Valley's share of litigation cost (£2k) plus settlement payment (£24k)	Expenditure to be funded from earmarked reserves set aside for this purpose
LANDC/8657z	Land Charges / DCLG - Property Searches New Burdens	0	0	-44,523	-44,523	R	Additional grant from Department of Communities and Local Government to contribute towards settlement and litigation costs.	Income to be added to earmarked reserve at year end to meet future 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
ESTAT/2402	Estates / Repair & maintenance - Building	5,400	1,800	7,958	6,158	R	The overspend is mainly due to repair work to retaining wall Bentlea Road, Gisburn (£4.8k)	Tis additional expenditure will be funded from a virement
COMPR/2998	Computer Services / Software Maintenance	106,710	91,951	62,047	-29,904	R	From April 2015 the support and maintenance contract for the Northgate revenues and benefits system has been charged direct to the service rather than to computer services.	The change in allocation of this cost will be reflected in the budget at Revised Estimate time
FSERV/0100	Financial Services / Salaries	437,470	145,936	152,805	6,869	R	The provision for staff turnover is currently not being achieved. However, turnover may occur in the remaining 8 months of the year	The budget will be reviewed at Revised Estimate time

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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	-34,500	-16,595	-13,340	3,255	A	Rent is collected by Robert Pinkus and only paid to the council quarterly. There are some outstanding arrears for some of the units.
PERFM/3012	Performance Reward Grants / Grants to Other Bodies	11,960	3,988	7,082	3,094	A	The variance is mainly due to slippage of expenditure on school growing project from 2014/15 into 2015/16. This expenditure will be funded from an earmarked reserve set aside for this purpose
CLOFF/2432	Council Offices / Electricity	22,250	7,416	4,377	-3,039	A	Only invoiced up to 30 June and lower usage compared to previous years.
NNDRC/2998	National Non Domestic Rates / Software Maintenance	300	300	4,635	4,335	A	From April 2015 the support and maintenance contract for the Northgate revenues and benefits system has been charged direct to the service rather than to computer services. The change in allocation of this cost will be reflected in the budget at Revised Estimate time
CONTC/0100	Contact Centre / Salaries	133,160	44,420	41,996	-2,424	A	The variance is due to a vacant post within the section. This is above that allowed for in the turnover allowance within the budget.

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
LSERV/0100	Legal Services / Salaries	236,030	78,736	81,153	2,417	A	The variance is due to additional costs of maternity cover.
ESTAT/2433	Estates / Gas	0	0	2,687	2,687	A	An invoice has been received for estimated gas usage at the Physiotherapy Centre for period April to June. This has been placed in dispute until we receive a credit as the centre is empty and no gas has been used.
LICSE/8437u	Licensing / Premises Licenses	-56,170	-8,567	-13,441	-4,874	A	More renewal of licences in the period compared to the same period in the previous year
COMPR/0100	Computer Services /Salaries	123,920	41,336	45,776	4,440	A	The variance is due to additional costs of maternity cover.
SUPDF/1026	Superannuation Deficiency Payment / Supernanuation Deficiency Pyament	112,610	21,522	15,037	-6,485	A	The direct debit payment for June deficiency payment was due on the 31 July but was not taken until 3 August.
CSERV/3277	Corporate Services / Promotional Activities	5,040	1,126	3,533	2,407	A	Publicity for hosting a stage of the Tour of Britain cycle race was delayed due to an embargo on the announcement until March 2015. The expenditure has slipped in to the 2015/16 financial year but resources were set aside in an earmarked reserve to cover 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
OMDEV/0100	Organisation & Member Development / Salaries	232,450	78,662	81,407	2,745	A	The provision for staff turnover is currently not being achieved. However, turnover may occur in the remaining 8 months of the year
OMDEV/1023	Organisation & Member Development / Corporate Training	14,860	4,952	990	-3,962	A	Training sessions are being arranged, but delays have resulted in the current underspends.
OMDEV/8601n	Organisation & Member Development / Telephone	0	0	-2,000	-2,000	A	Connection credits received from EE with regard to our current mobile phone contract. This income will be set aside in an earmarked reserve to fund the replacement of handsets in the future.