

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 13

meeting date: 27 OCTOBER 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 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 £79,444 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	6,683	9,091	2,408	A
CONTI	Continental Market	0	0	-687	-687	G
INDDV	Economic development	90,930	9,762	11,301	1,539	G
TOURB	Tour of Britain	125,000	125,000	107,050	-17,950	R
COMPR	Computer Services	0	209,017	194,772	-14,245	R
LICSE	Licensing	10,470	-46,462	-54,678	-8,216	R
LANDC	Land Charges	29,860	-26,921	-42,230	-15,309	R
FGSUB	Grants & Subscriptions – P & F	146,830	116,880	115,018	-1,862	G
CEEXEC	Chief Executives Department	0	481,988	462,424	-19,564	R
CLTAX	Council Tax	327,210	19,722	23,887	4,165	A
NNDRC	National Non Domestic Rates	51,890	2,420	-5,909	-8,329	R
CORPM	Corporate Management	324,830	0	0	0	G
EMERG	Community Safety	64,220	4,484	6,720	2,236	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	53,236	-24,514	R
ELADM	Election Administration	44,790	0	0	0	G
ELECT	Register of Electors	93,260	41,372	22,561	-18,811	R
ESTAT	Estates	10,440	-14,068	-4,972	9,096	R
ATTEN	Mayor's Attendant/ Keeper	0	6,240	6,989	749	G
CIVCF	Civic Functions	59,660	19,533	21,409	1,876	G
COSDM	Cost of Democracy	455,160	118,415	112,392	-6,023	R
MAYCR	Mayoral Transport	0	6,460	1,391	-5,069	R
FSERV	Financial Services	0	306,390	309,837	3,447	A
VARIOUS	Meals on Wheels & Luncheon Clubs	13,960	6,769	2,506	-4,263	A
CIVST	Civic Suite	0	21,721	17,833	-3,888	A
CLOFF	Council Offices	0	125,420	114,492	-10,928	R
FMISC	Policy & Finance Miscellaneous	-63,320	49,389	51,127	1,738	G
PERFM	Performance Reward Grants	14,140	5,982	7,082	1,100	G
SUPDF	Superannuation Deficiency Paym'ts	119,090	40,386	39,854	-532	G
LSERV	Legal Services	0	173,807	169,746	-4,061	A
OMDEV	Organisation & Member Development	0	178,251	169,745	-8,506	R
CSERV	Corporate Services	176,600	8,857	10,069	1,212	G
CONTC	Contact Centre	0	111,435	105,633	-5,802	R
REVUE	Revenues & Benefits	0	233,937	241,482	7,545	R
Total net cost of services		2,173,260	2,420,619	2,279,171	-141,448	

Items added to / (taken from) balances and reserves					
FNBAL H230	Election Reserve Fund	-55,870	-77,750	-53,236	24,514
FNBAL H262	IT Equipment Reserve	0	0	-7,614	-7,614
FNBAL H272	Land Charges Restitution Reserve	0	0	17,952	17,952
FNBAL H276	Promotional Activities - Tour of Britain & Ribble Valley News	0	0	-8,597	-8,597
FNBAL H269	Asset Revaluation Reserve	2,000	0	0	0
FNBAL H326	Performance Reward Grant	-11,960	-5,982	-7,082	-1,100
FNBAL H337	Equipment Reserve	0	0	2,000	2,000
FNBAL H362	Individual Electoral Registration Reserve	-14,570	0	16,900	16,900
FNBAL H366	Tour of Britain Reserve Fund	-125,000	-125,000	-107,050	17,950

Items added to / (taken from) balances and reserves					
FNBAL F719	Vat Shelter Reserve	180,000	0	0	0
Net Balances and reserves		-25,400	-208,732	-146,727	62,005

Net Expenditure	2,147,860	2,211,887	2,132,443	-79,444
------------------------	------------------	------------------	------------------	----------------

- 2.2 A supplementary estimate, funded from earmarked reserves, was approved through a meeting of the Emergency Committee on 13 August 2015 with regard to the Tour of Britain. The impact of this on the original estimate at 2.1 is summarised in the table below

	Original Estimate 2015/16 £	Impact of Supplementary Estimate £	Restated Original Estimate £
Committee Net Requirements	2,138,260	35,000	2,173,260
Taken From / Added to Balances	9,600	-35,000	-25,400
Net Expenditure	2,147,860	0	2,147,860

- 2.3 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

- 2.4 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.
- 2.5 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.
- 2.6 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 September £
CEXEC – Chief Executive Department The variance on salary costs is mainly due to vacant part-time posts in Building Control and Environmental Health Sections.	-9,729
CLTAX – Council Tax The council had been previously overcharged for prepaid response service from Royal Mail.	-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
LANDC – Land Charges Additional legal expenses is a combination of the Council's share of litigation cost (£2k) plus settlement payment (£24k)	26,571
LANDC – Land Charges Additional grant from Department of Communities and Local Government to contribute towards settlement and litigation costs	-44,523
COMPR – COMPUTER SERVICES Additional costs incurred as a result of maternity cover	5,606

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £79,444 on the first six months of the financial year 2015/16 after transfers to / from earmarked reserves. 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

PF58-15/TH/AC

14 October 2015

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 Department / Salaries	706,770	353,526	343,797	-9,729	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.
TOURB/VARIOUS	Tour of Britain Cycle Race / Various	125,000	125,000	107,050	-17,950	R	The Emergency Committee approved a revised budget for the Council hosting of Stage 2 of the Aviva Tour of Britain of £125,000	No action at present
REVUE/0100	Revenues & Benefits / Salaries	363,690	181,916	190,987	9,071	R	The provision for staff turnover is currently not being achieved. However, turnover may occur in the remaining 7 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.

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
CLTAX/8569z	Council Tax / Postal Charges	0	0	-10,000	-10,000	R	The Council had previously been overcharged for prepaid response service from Royal Mail.	The budget will be reviewed at revised estimate time.
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	53,118	-24,632	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	Any grant income that remains unspent at yearend will be added to earmarked reserve at year end to meet future expenditure.
LANDC/3090	Land Charges / Legal	0	0	26,571	26,571	R	The variance is a combination of Ribble Valleys 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.	Any grant income that remains unspent at yearend will 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
LICSE/8437u	Licensing / Premises Licenses	-56,170	-30,265	-42,121	-11,856	R	Increase in number of Band B and C licences in the period compared to the same period in the previous year	The budget will be reviewed at revised estimate time.
OMDEV/1023	Organisation & Member Development / Corporate Training	14,860	7,430	1,081	-6,349	R	Training sessions are being arranged, but delays have resulted in the current underspends.	The budget will be reviewed at revised estimate time.
CSERV/3264	Corporate Services / Ribble Valley News	10,490	-256	5,137	5,393	R	The 2015 spring edition of Ribble Valley news was postponed until summer 2015 in order to maximise publicity for Tour of Britain cycle race.	This expenditure will be funded from an earmarked reserve set aside for this purpose.
CSERV/8646z	Corporate Services / LGA - Productivity Expert Grant	0	0	-6,000	-6,000	R	Grant funding received from the Improvement and Development Agency For Local Government (IDEA) to support a Productivity Expert Programme	No action at present
ESTAT/2402	Estates / Repair & maintenance - Building	5,400	2,700	8,265	5,565	R	The overspend is mainly due to repair work to retaining wall Bentlea Rd, Gisburn (£4.8k)	A reassessment of repair and maintenance budgets is being undertaken to ensure the budget is correctly allocated over various service areas.
COMPR/0100	Computer Services /Salaries	123,920	61,982	67,588	5,606	R	The variance is due to additional costs of maternity cover.	The budget will be reviewed at revised estimate time.

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
COMPR/2809	Computer Services / Non Recurring Purchases of Equipment	0	0	7,614	7,614	R	The variance reflects the cost of migrating live financials & purchasing systems to a new server.	This expenditure will be funded from an earmarked reserve set aside to fund the cost of employing software consultants.
COMPR/2968	Computer Services / Enterprise Agreements	3,280	3,280	11,684	8,404	R	The variance reflects the cost of office licences to be recharged to users	Information on type and number of licenses to be supplied by IT section, which will allow cost to be recharged to users.
COMPR/2998	Computer Services / Software Maintenance	106,710	93,532	62,307	-31,225	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	218,820	228,983	10,163	R	The provision for staff turnover is currently not being achieved. However, turnover may occur in the remaining 7 months of the year.	The budget will be reviewed at revised estimate time.

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
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 on a quarterly basis. When the quarter commencing 24 June was paid to the council units 1 and 3 were in arrears
CLOFF/2432	Council Offices / Electricity	22,250	9,726	4,843	-4,883	A	Only invoiced up to 24 August 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	66,606	63,069	-3,537	A	The variance is due to vacant post within the section. This is above that allowed for in turnover allowance within the budget.
LSERV/0100	Legal Services / Salaries	236,030	118,060	122,049	3,989	A	The variance is due to additional costs of maternity cover and also an element of Community Development officer post being charged to the service rather than Chief Executives.

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
COSDM/3034	Cost of Democracy / Special Responsibility	89,740	44,888	40,112	-4,776	A	The variance is due to changes to the members allowance scheme
LANDC/8408z	Land Charges / Search Fee	-76,640	-38,895	-36,183	2,712	A	Fall in number of search requests compared to previous year.
FMISC/5029	Policy & Finance Miscellaneous / Credit/Debit Card Fee	0	4,470	7,280	2,810	A	The additional costs are due to an industry wide change to a percentage basis charge for payments made by debit cards, previously fixed fee.
CSERV/3277	Corporate Services / Promotional Activities	5,040	1,556	4,431	2,875	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 the 2015/16 financial year but resources were set aside in an earmarked reserve to cover this expenditure.
OMDEV/0100	Organisation & Member Development / Salaries	232,450	117,992	121,439	3,447	A	The provision for staff turnover is currently not being achieved. However turnover may occur in the remaining 7 months of the year.
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.