

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 17

meeting date: 6 SEPTEMBER 2016
 title: REVENUE OUTTURN 2015/16
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the actual position for the revenue budget year ended 31 March 2016 for this Committee.

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 needs' and within this priority meets the objective 'to maintain critical financial management controls, ensuring the authority provides council tax payers with value for money'.
- Other Considerations – none identified.

2 BACKGROUND

2.1 The Council's Statement of Accounts have now been audited and were approved by Accounts and Audit Committee on 17 August 2016.

2.2 The information contained within the Statements is in a prescriptive format. However the service cost information is being reported to Committees for their own relevant services in our usual reporting format in the current cycle of meetings.

3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £87,684 on the net costs of services. After allowing for transfers to and from earmarked reserves this is increased to a net underspend of £103,359. Please note that underspends are denoted by figures with a minus symbol.

3.2 In the table below are a number of services with a net cost of 'nil'. This is where services are fully recharged out to other service areas, these cost centres are marked **. There are a few services where income equals expenditure and these cost centres are marked ***.

Cost Centre	Cost Centre Name	Revised Estimate £	Actual £	Difference £
OMDEV	Organisation & Member Development **	0	0	0
COMPR	Computers **	0	0	0
FSERV	Financial Services**	0	0	0
LSERV	Legal Services **	0	0	0

Cost Centre	Cost Centre Name	Revised Estimate £	Actual £	Difference £
REVUE	Revenues and Benefits **	0	0	0
CONTC	Contact Centre**	0	0	0
CIVST	Civic Suite **	-640	0	640
CLOFF	Council Offices **	0	0	0
CORPM	Corporate Management	322,290	316,418	-5,872
CEXEC	Chief Executives Department **	0	0	0
CSERV	Corporate Services	189,990	176,373	-13,617
CLTAX	Council Tax	329,620	325,972	-3,648
NNDRC	National Non Domestic Rates	54,000	26,694	-27,306
CIVCF	Civic Functions	60,520	56,687	-3,833
COSDM	Cost of Democracy	416,920	403,121	-13,799
ELADM	Election Administration	55,900	54,719	-1,181
DISTC	District Elections	58,850	59,932	1,082
PARIS	Parish Elections	21,510	21,561	51
ELECT	Register of Electors	77,070	73,184	-3,886
LUNCH	Luncheon Clubs	13,380	5,106	-8,274
LANDC	Land Charges	4,000	-19,022	-23,022
LICSE	Licensing	6,030	6,065	35
FLDRB	Flood Resilience Grants – Businesses ***	0	0	0
FLDRB	Flood Grants – Storm Eva	12,720	12,164	-556
FLOODS	Flood Grants – Storm Desmond ***	0	0	0
EMERG	Community Safety	56,100	52,929	-3,171
FMISC	Policy & Finance Miscellaneous	-76,850	-60,843	16,007
PERFM	Performance Reward Grant	16,790	13,871	-2,919
SUPDF	Superannuation Deficiency Payment	110,390	109,840	-550
ESTAT	Estates	43,000	59,592	16,592
FGSUB	Grants and Subscriptions	146,350	138,369	-7,981
ALBNM	Albion Mill	870	8,615	7,745
TOURB	Tour of Britain Cycle Race	118,590	117,941	-649
INDDV	Economic Development	96,670	87,098	-9,572
NET COST OF SERVICES		2,134,070	2,046,386	-87,684

ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES				
FNBAL H230	Election Fund	-58,480	-59,613	-1,133
FNBAL H243	Human Resources Development Reserve	0	-27,500	-27,500

ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES				
FNBAL H262	IT Reserve	-7,610	-7,614	-4
FNBAL H269	Asset Valuation Reserve	2,000	2,000	0
FNBAL H272	Land Charges Restitution Reserve	17,950	44,085	26,135
FNBAL H276	Promotional Activities Reserve	-9,260	-9,260	0
FNBAL H325	Vat Shelter Reserve Fund	180,000	158,431	-21,569
FNBAL H327	Fleming Vat Reserve	-16,510	-16,029	481
FNBAL H326	Performance Reward Grant	-27,574	-24,509	3,065
FNBAL H366	Tour of Britain Reserve	-89,826	-89,826	0
FNBAL H337	Equipment Reserve	1,000	9,103	8,103
FNBAL H340	Insurance Reserve	0	-2,167	-2,167
FNBAL H362	Individual Electoral Registration	-7,180	-5,386	1,794
COBAL H328	Repairs Reserve	0	-5,000	-5,000
CPBAL H330	Capital Reserve	1,580	3,700	2,120
NET BALANCES AND RESERVES		-13,910	-29,585	-15,675
NET EXPENDITURE		2,120,160	2,016,801	-103,359

3.2 We have extracted the main variations and shown them, with the budget holder's comments at Annex 1. However a summary of the main variations is given in the table below.

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
CEXEC Chief Executives	Reduced employee related expenses due to vacant Head of Environmental Health and Community Development officer posts and staff not undertaking professional qualification training	-10,036
COMPR Computer Services	There has been a reduction in expenditure on the purchase of equipment, hardware and software maintenance, the purchase of consumables and government connect costs. This is mainly due to replacement equipment not required, a maintenance contract for a print machine not renewed, the contingency provision for software maintenance and government connect costs not required and a continued reduction in computer consumables from fewer printers.	-11,291
ESTAT Estates	Overspend on repair and maintenance items and energy costs due to repairs to Dewhurst Rd, Langho and to retaining wall at Bentlea Rd, Gisburn and removal of gas meter from physiotherapy centre, Clitheroe. Partly funded by a contribution from repairs reserve fund.	11,127

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
FMISC Policy & Finance Miscellaneous	The level of capital works that fell within the VAT shelter arrangements was less than originally anticipated by Symphony Homes. The effect of which is a reduction in the contribution from Symphony homes and a lower contribution to the earmarked reserve for VAT shelter income	21,569
LANDC Land Charges	Payment in respect of the property searches litigation, in settlement of the costs claim commenced by the property search companies against local authorities to recover their costs of pursuing the substantive claims. Offset by an additional grant received from Department of Communities and Local Government to help cover the costs of court action taken in respect of charges made for information classified as environmental information for which no charge should be made. The net balance has been added to an earmarked reserve established for this purpose.	-26,135
NNDRC National Non Domestic Rates	No discretionary grants charged to the Council's revenue account in 2015/16. These are now borne by the Business Rates Account and the cost met accordingly to the shares of the Business Rates Retention Scheme.	-26,350
OMDEV Organisation & Member Development	Delays in implementing the corporate training plan and no staff currently undertaking professional qualification training (in this section) and reduced indirect employee expenses has resulted in an underspend. This was offset by an increase in staffing costs.	-14,288

3.3 As can be seen above, the key variances have been met from, or have been set aside in, the council's earmarked reserves. There are a large number of smaller variances as can be seen at Annex 1.

4 CONCLUSION

4.1 The comparison between actual and budgeted expenditure shows an underspend for the financial year 2015/16 of £87,684. After transfer to/from earmarked reserves this is increased to an underspend of £103,359.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF45-16/TH/AC
29 July 2016

BACKGROUND PAPERS;
Policy & Finance closedown working papers 2015/16

For further information please ask for Trudy Holderness.

POLICY & FINANCE COMMITTEE – VARIANCES 2015/16

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
ALBNM : Albion Mill					
Fall in income from rent of units due to 2 units being vacant for the period 6 November 2015 to 22 January and repairs to units.		6,648			
Albion Mill has in the past been classified as an investment asset and as such no depreciation was charged. Following a review of all investment assets they have been reclassified as operational and as such depreciation is charged.				1,467	
Total Albion Mill					8,115
CEXEC : Chief Executives Department					
Reduced employee related expenses due to vacant Head of Environmental Health and Community Development Officer posts and the budget for professional qualification training not being required	-10,036				
Reduced transport costs due to lower mileage claims from the Environmental Health section and a lease car not replaced.	-5,237				
Reduced printing and stationery, photocopying and postage costs reflecting a more economical use of printers and possibly move towards more electronic forms of communication. Also purchase of new / replacement equipment & materials and reference books not required	-4,249				

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
Reduced support costs mainly from accommodation, computer services and organisation and member development due to a reduction in net expenditure in these services			-6,914		
The decrease in net expenditure is reflected in lower recharges to other services			26,555		
Total Chief Executives Department					119
CIVCF : Civic Functions					
Reduced running costs of mayoral car mainly due to a reduction in fuel costs.	-916				
Below average expenditure on refreshments and other civic entertainment expenses.	-2,489				
Reduced support costs mainly from legal services due to a reduction in net expenditure in this service			-514		
Total Civic Functions					-3,919
CIVST : Civic Suite					
The estimate for temporary cover for the civic suite attendant was based on 90hrs in the year, the actual cover required was only 18.75hrs for the year which has resulted in an underspend. There has also been no expenditure on training.	-827				
There has been an underspend on repair and maintenance costs.	-3,043				

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
Expenditure on refreshments, protective clothing, laundry, printing and stationery and incidental expenses not required in the year.	-873				
The decrease in net expenditure is reflected in lower recharges to other services			5,621		
Total Civic Suite					878
CLOFF : Council Offices					
Reduced energy costs due to a below average usage of electricity and water. Also reduced ground maintenance costs.	-9,421				
Overspend on the purchase of equipment due to old CCTV recording equipment being replaced with a digital recording system.	1,809				
The decrease in net expenditure is reflected in lower recharges to other services			7,025		
Total Council Offices					-587
CLTAX : Council Tax					
Additional expenditure was incurred on providing council tax flood discounts to home owners as a result of floods caused by Storm Desmond and Storm Eva. This additional cost has been fully funded by a section 31 grant from the Department of Communities and Local Government.	89,401	-89,401			
Below average expenditure on supplies and service items, such as scanning, purchase of equipment, reference books, legal fees, bailiff fees, all-pay, statutory notices and court costs	-2,826				

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
Below average summonses income		6,020			
Reduced support costs mainly from revenue services and computer services reflecting a reduction in net expenditure in these services.			-6,470		
Total Council Tax					-3,276
COMPR : Computer Services					
The variance in employee related expenses was in respect of the provision for maternity cover and no training expenses were incurred.	-1,949				
There has been a reduction in expenditure on the purchase of equipment, hardware and software maintenance, the purchase of consumables and Government Connect costs. This is mainly due to replacement equipment not required, a maintenance contract for a print machine not renewed, the contingency provision for software maintenance and government connect costs not required and a continued reduction in computer consumables from fewer printers.	-11,291				
Reduced support costs mainly from organisation and member development due to a reduction in net expenditure in this service			-1,142		
The decrease in net expenditure is reflected in lower recharges to other services			14,237		
Total Computer Services					-145

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
CONTC: Contact Centre					
Reduced employee related cost due to vacant customer service advisor and modern apprentice posts and no training expenses.	-3,806				
Reduced support costs mainly from computer services due to a reduction in net expenditure in this service.			-1,260		
The decrease in net expenditure is reflected in lower recharges to other services			4,867		
Total Contact Centre					-199
CORPM : Corporate Management					
Reduced support costs mainly from community services, financial services and chief executives due to a reduction in net expenditure in this service			-5,872		
Total Corporate Management					-5,872
COSDM : Cost of Democracy					
Low level of travel and council meeting expenses and very little expenditure on equipment.	-5,320				
Reduced support costs mainly from accommodation costs, legal services and organisation and member development due to a reduction in net expenditure in these services.			-8,124		
Total Cost of Democracy					-13,444

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
CSERV : Corporate Services					
The 2015 spring edition of Ribble Valley News was delayed to allow maximum publicity for the Tour of Britain cycle race. Resources from the delay in producing the Ribble Valley News and promotional activities were set aside in an earmarked reserve at the end of 2014/15 to fund expenditure in 2015/16. These set aside resources were used to enhance the 2015/16 budget provision. However, they were not required as expenditure was met without the enhancement resulting in an underspend.	-9,807				
Reduced support costs mainly from organisation and member development due to reduction in net expenditure in this service			-3,820		
Total Corporate Services					-13,627
DISTC: District Elections					
Reduced employee related expenses compared to previous district elections mainly from salary costs, security, presiding officer, poll clerk fees and training expenses offset by increases in postal vote opening , counting and general supervision costs	-11,823				
Reduced premises related expenses mainly from rent of buildings	-4,635				
Increase in cost of preparation and transport of polling equipment, printing and postage of poll cards and postal vote packs	17,553				
Total District Elections					1,095

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
ELECT: Register of Electors					
Additional funding from Cabinet office in support of the increased financial burden of providing individual electoral registration		-2,980			
Reduced support costs mainly from legal services due to reduction in net expenditure in this service			-993		
Total Register of Electors					-3,973
ELADM : Election Administration					
Reduced support costs mainly from legal services due to reduction in net expenditure in this service			-1,181		
Total Election Administration					-1,181
EMERG : Emergency Planning					
Below average expenditure on the purchase of equipment and materials and provision for repairs / additional telephones lines not required. This was due to schemes being placed on hold due to flooding	-1,586				
Reduced support costs mainly from chief executives department due to reduction in net expenditure in this service			-1,585		
Total Emergency Planning					-3171
ESTAT : Estates					
Overspend on repair and maintenance items and energy costs due to repairs to Dewhurst Rd, Langho and to retaining wall at Bentlea Rd, Gisburn and removal of gas meter from physiotherapy centre, Clitheroe	11,127				
Additional income from sale of freehold land, this is added to capital earmarked reserve.		-2,209			

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
Reduced support costs mainly from legal services due to reduction in net expenditure in this service			-734		
Increase in depreciation of buildings, this is due to the change in the categorising of investment assets which are not depreciated to operational assets, which are. It includes properties such as Townley Buildings, Longridge and 16-18 Lowergate, Clitheroe				7,425	
Total Estates					15,609
FGSUB: Policy & Finance Grants & Subscriptions					
Subscription to District Council network and contribution to young achievers awards not required.	-1,582				
Concurrent Function Grant budget not fully used, as not all parish councils applied for funding	-6,360				
Total Policy & Finance Grants & Subscriptions					-7,942
FMISC : Policy & Finance Miscellaneous					
Additional expenditure in respect of 25% levy on Municipal Mutual Insurance, met from earmarked reserve	2,167				
Unexpected additional grant income from Department of Communities and Local Government in support of the additional burden of transparency, added to earmarked reserves to fund future expenditure.		-8,103			

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
The level of capital works that fell within the VAT shelter arrangements was less than originally anticipated by Symphony Homes. The effect of which is a reduction in the contribution from Symphony Homes and a lower contribution to the earmarked reserve for VAT shelter income		21,569			
Increase in debt management charge mainly as a result of an increase in the charge from District Valuer Office for reviewing the value of our assets				875	
Total Policy & Finance Miscellaneous					16,508
FSERV : Financial Services					
There has been an underspend on training expenses as staff complete their professional qualification during the year and a lower level of other training being required	-1,137				
Reduced expenditure on supplies and service items such as the purchase of new / replacement equipment and materials were only partly needed in the year, printing and stationery costs have fallen due to the use of more economical colour printer / copier, reduction in the purchase of other publications due to a move to online resources.	-2,809				
Reduced support costs mainly from computer services and organisation and member development due to reduction in net expenditure in these services.			-3,579		
The decrease in net expenditure is reflected in lower recharges to other services			8,230		
Total Financial Services					705

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
INDDV : Economic Development					
The subscription and promotional activities budgets have been underspent mainly due to not subscribing to any new bodies and less promotional activities	-8,107				
Reduced support costs mainly from chief executive department due to reduction in net expenditure in this service.			-1,304		
Total Economic Development					-9,411
LANDC : Land Charges					
Payment in respect of the property searches litigation, in settlement of the costs claim commenced by the property search companies against local authorities to recover their costs of pursuing the substantive claims. Offset by an additional grant received from Department of Communities and Local Government to help cover the costs of court action taken in respect of charges made for information classified as environmental information for which no charge should be made. The net balance has been added to an earmarked reserve established for this purpose.	1,751	-27,886			
A fall in average number of Part I enquiries from 539 to 494 and part II enquires from 602 to 467 has resulted in less income than anticipated		5,517			
Reduced support costs mainly from legal services due to reduction in net expenditure in this service.			-1,866		
Total Land Charges					-22,484
LICSE : Licencing					
Reduced income from licences mainly due to income from taxi licenses being below average partly offset by an increase in the income from premises licences.		2,106			

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
Reduced support costs mainly from legal services due to reduction in net expenditure in this service.			-1,974		
Total Land Charges					-1974
LSERV : Legal Services					
Reduced expenditure on training expenses due to no staff currently undertaking professional qualifications	-897				
Reduced expenditure on supplies and service items such as reference books, postages and legal fees due to no miscellaneous expenditure on books and below average expenditure on postages and legal fees	-5,923				
Reduced support costs mainly from computer services and organisation & member development due to a reduction in net expenditure in these services.			-3,899		
The decrease in net expenditure is reflected in lower recharges to other services			10,732		
Total Legal Services					13
LUNCH : Luncheon Clubs					
The low level of take-up in establishing new luncheon clubs has resulted in an underspend of available funding. The effect of reduced expenditure is a reduction in the contribution from LCC.	-16,397	8,284			
Total Luncheon Clubs					-8,113
NNDRC : National Non Domestic Rates					
No discretionary grants charged to the Council's revenue account during 2015/16. These are now borne by the Business Rates Account and the cost met accordingly to the shares of the Business Rates Retention Scheme.	-26,350				

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
Below average income from summonses.		1,160			
Reduced support costs mainly from revenues service due to a reduction in net expenditure in this service			-1,908		
Total National Non Domestic Rates					-27,098
OMDEV : Organisation & Member Development					
Delays in implementing the corporate training plan and no staff within the section currently undertaking professional qualification training. This is offset by an increase in staffing costs.	-14,288				
The provision for the purchase of new / replacement equipment and materials was only partly needed in the year. Printing and stationery and photocopying charges costs have continued to fall as a consequence of the move to a colour printer / copier where the cost of toners is included in the copy charge. The cost of postages and telephone calls were also less than anticipated but mobile phone cost slightly more.	-6,635				
Reduced support costs mainly from accommodation charges and IT services due to a reduction in net expenditure in these services.			-2,019		
The decrease in net expenditure is reflected in lower recharges to other services			22,721		
Total Organisation & Member Development					-221
PERFM : Performance Reward Grants (PRG)					

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
Additional expenditure due to extension of project officer contract and parish council grants paid earlier than anticipated less element of cost of Tour of Britain Cycle race funded from PRG.	-5,797				
Less expenditure capitalised than anticipated	2,899				
Total Performance Reward Grants					-2,898
REVUE : Revenues					
Reduced employee related expenses mainly due to staff turnover within cashiers section and reduced training and professional subscription costs.	-2,941				
Reduced transport costs mainly due to lower levels of mileage travelled.	-1,301				
Reduced support costs mainly from accommodation, organisation and member development and contact centre charges			-4,298		
The decrease in net expenditure is reflected in lower recharges to other services			9,152		
Total Revenues					612
FLOOD : Floods (Storm Desmond)					
Expenditure on grant payments as a result of storm Desmond	11,500				
Contribution from DCLG – Bellwin Flood Scheme and Community Recovery Scheme		-11,717			
Total Floods (Storm Desmond)					-217
FGRNT : Flood Grants (Storm Eva)					

	VARIANCE IN EXPENDITURE £	VARIANCE IN INCOME £	VARIANCE IN SUPPORT £	VARIANCE IN CAPITAL £	TOTAL VARIANCE £
Expenditure on staffing, emergency repairs and accommodation, hire of equipment, purchase of sandbags and flood grants as a result of Storm Eva	157,630				
Contribution from DCLG – Bellwin Flood Scheme and Community Recovery Scheme		-158,186			
Total Flood Grants (Storm Eva)					-556
Other	-5,084	4,068	-15	1	-1,030
Total Variances for Policy & Finance Committee	100,095	-247,216	49,669	9,768	-87,684