

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 19

meeting date: 6 SEPTEMBER 2016  
 title: REVENUE MONITORING 2016/17  
 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 £15,597 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	960	8,850	10,827	1,977	G
INDDV	Economic development	96,650	2,271	1,113	-1,158	G
COMPR	Computer Services	0	97,839	98,804	965	G
LICSE	Licensing	-2,550	-22,492	-20,832	1,660	G
LANDC	Land Charges	25,430	-19,386	-9,561	9,825	R
FGSUB	Grants & Subscriptions – P & F	148,040	106,057	107,298	1,241	G
RURAL	Rural Area Delivery	107,254	0	0	0	G
CEXEC	Chief Executives Department	0	347,055	323,114	-23,941	R
CLTAX	Council Tax	344,690	32,049	-2,052	-34,101	R
NNDRC	National Non Domestic Rates	54,940	5,896	-10,346	-16,242	R
CORPM	Corporate Management	320,590	0	0	0	G
EMERG	Community Safety	57,270	3,034	2,090	-944	G
FLDRB	Flood Resilience Grants – Businesses	0	0	5,068	5,068	R
FLDRH	Flood Resilience Grants - Householders	0	0	64,860	64,860	R

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	
		£	£	£	£	
BYELE	District By-Elections	0	0	1,032	1,032	G
DISTC	District Elections	0	0	-781	-781	G
ELADM	Election Administration	55,560	0	0	0	G
ELECT	Register of Electors	93,600	16,423	1,983	-14,440	R
PARIS	Parish Elections	0	0	4,164	4,164	A
ESTAT	Estates	44,000	-10,823	-10,547	276	G
CIVCF	Civic Functions	60,870	27,578	27,029	-549	G
COSDM	Cost of Democracy	441,570	78,523	74,457	-4,066	A
FSERV	Financial Services	0	233,581	234,079	498	G
LUNCH	Luncheon Clubs	13,870	4,304	1,896	-2,408	A
CIVST	Civic Suite	0	18,210	14,803	-3,407	A
CLOFF	Council Offices	0	117,313	118,690	1,377	G
FMISC	Policy & Finance Miscellaneous	-56,730	7,707	7,887	180	G
PERFM	Performance Reward Grants	61,260	19,920	900	-19,020	R
SUPDF	Superannuation Deficiency Paym'ts	108,880	22,946	22,608	-338	G
LSERV	Legal Services	0	119,737	121,007	1,270	G
OMDEV	Organisation & Member Development	0	129,526	123,958	-5,568	R
CSERV	Corporate Services	181,050	14,704	13,901	-803	G
CONTC	Contact Centre	0	70,630	69,762	-868	G
REVUE	Revenues & Benefits	0	176,696	180,542	3,846	A
<b>Total net cost of services</b>		<b>2,157,204</b>	<b>1,608,148</b>	<b>1,577,753</b>	<b>-30,395</b>	

Items added to / (taken from) balances and reserves						
CTAXA	Rural Areas Delivery Grant	-107,254	-53,627	-53,627	0	
FNBAL H230	Election Reserve Fund	22,210	0	-4,415	-4,415	
FNBAL H269	Asset Revaluation Reserve	2,030	0	0	0	
FNBAL H326	Performance Reward Grant	-59,780	-19,920	-900	19,020	
FNBAL H362	Individual Electoral Registration Reserve	-11,540	-3,850	-3,657	193	
FNBAL F719	Vat Shelter Reserve	180,000	0	0	0	
<b>Net Balances and reserves</b>		<b>25,666</b>	<b>-77,397</b>	<b>-62,599</b>	<b>14,798</b>	

<b>Net Expenditure</b>	<b>2,182,870</b>	<b>1,530,751</b>	<b>1,515,151</b>	<b>-15,597</b>
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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.

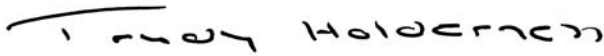
2.4 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.

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 £
<b>CEXEC – Chief Executive Department</b> The large variance in staffing cost is mainly due to several vacant posts including a Building Surveyor, Community Development Officer, Pest Control Officer and Environmental Health Officer.	-23,524
<b>ELECT – Register of Electors</b> A section 31 grant has been received from the Cabinet Office to assist with the additional financial burden of individual electoral registration	-11,209

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £15,597 on the first four months of the financial year 2016/17 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

PF47-16/TH/AC

15 August 2016

## POLICY &amp; 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
FLDRH/4678	Flood Resilience Grants - Households / Grants	0	0	64,860	64,860	R	Payment of grants to households affected by floods. Expenditure is fully grant funded, under the 'Property Resilience Scheme'. Monies will be drawn down from DCLG via LCC	No action at present, other than interim grant claim to be submitted
PERFM/4677	Performance Reward Grants / Grants to Precepting Bodies	59,780	19,920	900	-19,020	R	Only two grants have been paid to-date.	Budget to be reviewed when revised estimates are produced.
CEEXEC/0100/0108/0109	Chief Executive's Department / Pay, Ni, Super	963,300	320,137	296,613	-23,524	R	The large variance is the result of several vacant posts within the Department. It includes Community Development Officer, Building Surveyor, Pest Control Officer and Environmental Health Officer.	Budget to be reviewed when revised estimates are produced.
CLTAX/8649z	Council Tax / Storm Eva S31 Grant (Tranche 2)	0	0	-27,946	-27,946	R	Balance of section 31 Grant received in 2015/16 from the Department of Communities and Local Government (DCLG) carried forward to 2016/17. The grant is being used to cover the cost of Council Tax flood discounts given to flood affected households.	No action at present, DCLG will be undertaking a reconciliation exercise at the end of 2016, when any grant not required will be repaid, or any shortfall will be made good.

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	-17,772	-17,772	R	The income relates to retained business rates for 2015/16 that fall within the Enterprise Zone. It is payable to Lancashire County Council (LCC).	LCC will be pursued to ensure that thy invoice for the amount due.
REVUE/0100	Revenues & Benefits / Salaries	369,200	123,164	128,323	5,159	R	There has been a lower level of staff turnover experienced to date than that budgeted for.	Budget to be reviewed when revised estimates are produced.
ELECT/8050z	Register of Electors / Individual Electoral Registration Grant	0	0	-11,209	-11,209	R	Grant from cabinet office to support councils with the additional financial burden of individual electoral registration.	Budget to be reviewed when revised estimates are produced.
LANDC/3090	Land Charges / Legal	0	0	6,241	6,241	R	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. To be funded from earmarked reserves.	Budget to be reviewed when revised estimates are produced.
LANDC/8408z	Land Charges / Search Fees	-79,680	-29,043	-23,386	5,657	R	Below average income received	Budget to be reviewed when revised estimates are produced.
FSERV/0100	Financial Services / Salaries	443,530	147,960	154,836	6,876	R	There has been a lower level of staff turnover experienced to date than that budgeted for.	Budget to be reviewed when revised estimates are produced.

## POLICY &amp; 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	-6,692	-3,571	3,121	A	The variance is due to arrears of rent.
FLDRB/4672	Flood Resilience Grants - Business / Grants	0	0	4,738	4,738	A	Payment of grants to businesses affected by floods. Expenditure is fully grant funded, under the 'Property Resilience Scheme'. Monies will be reimbursed from DCLG
LUNCH/4672	Luncheon Clubs / Grants	12,910	4,304	1,960	-2,344	A	No new luncheon clubs that require financial assistance have been established during the period.
CLOFF/2402	Council Offices / Repair & Maintenance - Building	30,490	10,170	12,274	2,104	A	The variance is mainly due to a commitment of £2k raised for periodic testing of electrical equipment.
CLOFF/2432	Council Offices / Electricity	20,140	6,712	13,765	7,053	A	The invoice for the period April to May is currently being disputed.
CLTAX/2971	Council Tax / Printing & Stationery	6,700	1,950	-1,239	-3,189	A	Underspend due to various one-off discounts and rebates on printed materials.
NNDRC/3090	National Non Domestic Rates / Legal Expenses	0	0	2,408	2,408	A	Professional fee incurred for acting on-behalf of the Council.

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
CONTC/0100	Contact Centre / Salaries	129,630	43,244	45,260	2,016	A	There has been a lower level of staff turnover experienced to date than that budgeted for.
OMDEV/0100	Organisation & Member Development / Salaries	241,860	81,847	84,036	2,189	A	There has been a lower level of staff turnover experienced to date than that budgeted for.
OMDEV/1023	Organisation & Member Development / Corporate Training	15,080	5,028	1,790	-3,238	A	The training and development plan approved by corporate management team (CMT) is still to be implemented.
ELECT/2998	Register of Electors / Software Support	12,460	12,460	8,641	-3,819	A	Half of the annual system licence fee has been charged to Police Crime Commissioner and EU referendum elections thus resulting in a saving on this budget.
CEEXEC/2881	Chief Executives Department / Purchase of Equipment & Materials	3,060	1,020	3,754	2,734	A	The variance is due to improvements to the environmental services office.
FMISC/3013	Policy & Finance Miscellaneous / Subscription	0	0	2,295	2,295	A	Share of cost of subscribing to Cipfa's finance advisory network (FAN) for 2016/17. This will be funded from income yet to be received.
COMPR/0100	Computer Services / Salaries	125,010	41,700	44,913	3,213	A	There has been a lower level of staff turnover experienced to date than that budgeted for.
COMPR/2991	Computer Services / Communication Equipment	9,470	2,316	6,026	3,710	A	A licence purchase has been made which covers three years. Two years of this charge will be adjusted for ta year end, which will negate this variance.
COMPR/2998	Computer Services / Software Maintenance	28,940	16,799	14,073	-2,726	A	The contingency provision for software maintenance has not been required to date