

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 20

meeting date: 6 SEPTEMBER 2016
 title: OVERALL REVENUE MONITORING 2016/17
 submitted by: DIRECTOR OF RESOURCES
 principal author: LAWSON ODDIE

1 PURPOSE

1.1 To consider the position on the revenue budget for the current financial year.

2 ORIGINAL BUDGET 2016/17

2.1 The original budget agreed for the current year is set out below.

	Original Estimate 2016/17 £
Committee Net Requirements	7,168,154
Capital Charges Adjustment	-702,780
Committee Expenditure After Adjustments	6,465,374
Other Items - Interest Payable	9,480
- Interest on balances	-28,730
- New Homes Bonus	-1,366,884
- Localisation of Council Tax Support: <i>Payments to Parishes</i>	5,750
- Transition Grant	-20,424
- Rural Areas Delivery Grants – Additional Funding	-107,254
- Retained Business Rates Income	-339,115
- Section 31 Grant for Business Rates	-528,416
- 10% of Retained Levy – Payable to LCC under Pooling	38,664
- Share of Business Rates Deficit on Collection Fund	420,692
Expenditure After Other Items	4,549,137
Less Added to/(taken from) Earmarked Reserves	
Elections	22,210
Building Control Fee Earning	-8,060
Performance Reward Grant	-59,780
IER Reserve	-11,540
Community Safety	-13,320
DEFRA Clean Air	-480
Revaluation Reserve	2,030

	Original Estimate 2016/17 £
Government Housing Grants Reserve	-14,190
Planning Reserve	-36,000
Post LSVT Pensions Reserve	-36,512
VAT Shelter	180,000
New Homes Bonus Reserve	579,923
Transition Grant Reserve	20,424
Business Rates Volatility Reserve	145,249
Taken From Revenue Balances	-200,000
Net Expenditure	5,119,091

3 ADDITIONAL REVENUE ITEM

3.1 The 2017/18 provisional **capital** programme included a scheme for the upgrade of the off street car park payment systems to ensure that all machines accept the new £1 coin and also chip and pin payments. The total of this capital scheme was £20,550.

3.2 The introduction of the new £1 coin has been brought forward by the Royal Mint to March 2017. Therefore this element of the scheme to allow the acceptance of the new £1 coins, estimated at £6,000, will now be funded from earmarked reserves in the 2016/17 **revenue** budget.

3.3 In addition, the chip and pin payments part of the scheme (£14,550) will now be deferred for twelve months to assess whether the recently introduced pay by phone system negates the need for this. The impact on the council's **revenue** budget is summarised in the table below:

	Original Estimate 2016/17 £	Additional Revenue Item £	Restated Original Estimate £
Committee Net Requirements	7,168,154	6,000	7,174,154
Capital Charges Adjustment	-702,780	0	-702,780
Committee Expenditure After Adjustments	6,465,374	6,000	6,471,374
Other Items	-1,916,237	0	-1,916,237
Expenditure After Other Items	4,549,137	6,000	4,555,137
Less Added to/(taken from) Earmarked Reserves	769,954	-6,000	763,954
To be Taken From Balances	-200,000	0	-200,000
Net Expenditure	5,119,091	0	5,119,091

4 COMMENTS

3.1 Accountants are soon to start preparing the revised estimates for the current financial year. Regular budget monitoring is undertaken on a monthly basis. In addition committees are currently receiving monitoring reports up to the end of July 2016 in the current cycle.

3.2 Looking at three of the largest elements within our budget - employee costs, fees and charges and interest. The position at the end of July on these was as follows:

3.3 **Employees**

Position at end of July:

	£
Budget to the end of July	2,025,552
Actual to the end of July	2,029,031
Difference as at the end of July	3,479

Annex 1 shows the main variances by individual cost centre. However, the reasons for the larger variances are summarised below:

- CEXEC: Chief Executives Department – This 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.
- EXREF: Exercise Referral Scheme – A prudent approach was taken when compiling the budget with no assumption made on the status of the 'Up and Active' contract. The budget therefore only allows for 2 permanent staff members as per the main Establishment List. However as the 'Up and Active' contract has since been won, there is now expenditure including salary payments to fixed term staff members employed as part of the contract. This will be offset by the contract income.

3.4 **Fees and Charges**

Position at end of July:

	£
Budget to the end of July	-912,972
Actual to the end of July	-1,049,031
Difference as at the end of July	-136,059

Again, Annex 2 shows the main differences and the reasons for the larger variances are summarised below:

- PLANG: Planning Control and Enforcement – Planning fee income can fluctuate greatly from one month to the next. As at the end of July there have been two large applications that have been received in the period, relating to Accrington Road, Whalley and Pendle Road, Clitheroe. These have largely contributed to the variance shown.

- TRREF: Trade Refuse – Additional customers have signed up for our waste collection service, particularly due to an alternative provider going into liquidation last year. There is the potential that some contracts may be cancelled as the year progresses and monies refunded. However, income is still anticipated to be in excess of the budget

3.5 **Interest**

Position at end of July:

	£
Budget to the end of July	-8,700
Actual to the end of July	-8,615
Difference as at the end of July	85

At this stage it is difficult to predict how our final interest figure will be in comparison to our budget for the year. It is anticipated that there will be a negative impact on our outturn as a result of the recent fall in base rate (in August) from 0.5% to 0.25%.

4 SUMMARY

4.1 In summary, the position is as follows:

	£ 000
Employees	3,479
Income	-136,059
Interest	85
Total Net Savings/Underspend/Extra Income	-132,495

5 CONCLUSION

5.1 Overall, the variances to the end of July are favourable, with a net saving/additional income of £132,495, based on the areas included within this report.

5.2 The main reasons for the variance are the increased income on Planning Fees and Trade Refuse. On employee costs actual spend is in line with budget overall, however there are two large compensating variances on the Chief Executives Department and the Exercise Referral Scheme.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

P49-16/LO/AC
26 August 2016

BACKGROUND PAPERS: None

For further information please ask for Lawson Oddie.

ANNEX 1

Employees – April to July 2016

Cost Centre	Cost Centre Name	Original Estimate to end July 2016	Actual to end July 2016	Variance
ARTDV	Art Development	4,462	4,582	120
BCSAP	Building Control SAP Fees	38	20	-18
BYELE	District By-Elections	0	807	807
CEXEC	Chief Executives Department	329,203	305,709	-23,494
CIVCF	Civic Functions	4,226	4,151	-75
CIVST	Civic Suite	3,682	3,508	-174
CLMKT	Clitheroe Market	864	635	-229
CLOFF	Council Offices	15,279	16,165	886
COMMD	Community Services Department	367,086	365,871	-1,215
COMPR	Computer Services	53,202	55,831	2,629
CONTC	Contact Centre	53,512	55,857	2,345
COSDM	Cost of Democracy	1,382	1,343	-39
CPADM	Car Park Administration - Off Street	16,122	15,333	-789
DNHAM	Downham Toilets	88	80	-8
ELECT	Register of Electors	112	1,115	1,003
EXREF	Exercise Referral Scheme	13,608	34,153	20,545
FSERV	Financial Services	188,276	195,575	7,299
HGBEN	Housing Benefits	0	288	288
LSERV	Legal Services	105,798	104,450	-1,348
OMDEV	Organisation & Member Development	104,489	106,081	1,592
PAPER	Waste Paper and Card Collection	33,186	31,854	-1,332
PARIS	Parish Elections	0	970	970
PCADM	Public Conveniences Administration	1,726	1,703	-23
PKADM	Grounds Maintenance	77,207	80,180	2,973
PLATG	Platform Gallery and Visitor Information	23,084	25,905	2,821
RCOLL	Refuse Collection	239,094	232,528	-6,566
REVUE	Revenues & Benefits	155,809	160,502	4,693
RPOOL	Ribblesdale Pool	111,011	102,844	-8,167

ANNEX 1**Employees – April to July 2016**

Cost Centre	Cost Centre Name	Original Estimate to end July 2016	Actual to end July 2016	Variance
SDEPO	Salthill Depot	7,132	7,348	216
STCLE	Street Cleansing	47,995	48,070	75
SUPDF	Superannuation Deficiency Payments	2,104	2,104	0
TFRST	Waste Transfer Station	7,938	7,839	-99
VEHCL	Vehicle Workshop	17,338	18,575	1,237
WKSAD	Works Administration	40,499	37,055	-3,444
		2,025,552	2,029,031	3,479

ANNEX 2

Fees and Charges – April to July 2016

Cost Centre	Cost Centre Name	Original Estimate to end July 2016	Actual to end July 2016	Variance
BCSAP	Building Control SAP Fees	-1,796	-410	1,386
BLDGC	Building Control	-65,452	-66,512	-1,060
CIVST	Civic Suite	-1,354	-2,938	-1,584
CLCEM	Clitheroe Cemetery	-13,080	-19,761	-6,681
CLMKT	Clitheroe Market	-107,424	-108,043	-619
COMMD	Community Services Department	-208	-127	81
DOGWD	Dog Warden & Pest Control	-6,512	-3,801	2,711
DRAIN	Private Drains	-496	-478	18
EALLW	Edisford All Weather Pitch	-5,331	-8,619	-3,288
EDPIC	Edisford Picnic Area	-430	-500	-70
ENVHT	Environmental Health Services	-6,912	-6,948	-36
EXREF	Exercise Referral Scheme	-624	-2,048	-1,424
FSERV	Financial Services	-372	-371	1
IMPGR	Improvement Grants	-2,420	0	2,420
LANDC	Land Charges	-29,043	-23,386	5,657
LICSE	Licensing	-28,522	-26,632	1,890
LSERV	Legal Services	0	-405	-405
MCAFE	Museum Cafe	-2,252	-2,600	-348
PLANG	Planning Control & Enforcement	-196,202	-219,909	-23,707
RCOLL	Refuse Collection	-8,102	-14,471	-6,369
RPOOL	Ribblesdale Pool	-124,435	-125,899	-1,464
RVPRK	Ribble Valley Parks	-1,427	-2,435	-1,008
SDEPO	Salthill Depot	-338	-230	108
SIGNS	Street Nameplates & Signs	-172	0	172
SPODV	Sports Development	-72	-563	-491
TRREF	Trade Refuse	-183,382	-278,819	-95,437
VARIOUS	Car Parks	-126,614	-133,126	-6,512
		-912,972	-1,049,031	-136,059