

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 16

meeting date: 25 OCTOBER 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

Car Parking

- 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

Ribblesdale Pool

3.4 Furthermore, at your last meeting you were informed of a potential loss of income of £70,000 at Ribblesdale Pool as a result of an extended closure period for capital programme works, beyond that which was originally anticipated by the service, and likewise budgeted for.

3.5 Officers were tasked with looking at options to minimise the potential impact, financially and on the provision of the service.

4 COMMENTS

4.1 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 in the current cycle.

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

4.3 *Employees*

Position at end of September:

	£
Budget to the end of September	3,037,937
Actual to the end of September	3,055,302
Difference as at the end of September	17,365

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

- CEXEC: Chief Executives Department (-£31,728) - 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 (£30,315) - 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.

4.4 *Fees and Charges*

Position at end of September:

	£
Budget to the end of September	-1,276,827
Actual to the end of September	-1,431,810
Difference as at the end of September	-154,983

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

- BLDGC: Building Control (-£32,144) - One off retrospective income received following departmental review.
- CLCEM: Clitheroe Cemetery (-£14,367) - More exclusive burial rights income and interments income than anticipated at Original Estimate. This is due to additional grave plots now being available in the new cemetery extension attracting increased plot reservations, along with the normal year-on-year variations in the number of interments and plot reservations.
- TRREF: Trade Refuse (-£102,129) - 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
- VARIOUS: Car Parks (-£12,125) - Estimated creditor for £15,570 for backdated ground rent dating back to 2007 at Railway View Car Park, plus additional income from car park charges in particular at Edisford Car Park due to increased usage.

4.5 **Interest**

Position at end of September:

£	
Budget to the end of September	-14,320
Actual to the end of September	-12,525
Difference as at the end of September	1,795

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%.

5 SUMMARY

5.1 In summary, the position is as follows:

£ 000	
Employees	17,365
Income	-154,983
Interest	1,795
Total Net Savings/Underspend/Extra Income	-135,823

6 CONCLUSION

- 6.1 Overall, the variances to the end of September are favourable, with a net saving/additional income of £135,823, based on the areas included within this report.
- 6.2 The main reasons for the variance are the increased income on Building Control Fees, the Cemetery, Trade Refuse and Car Parking. 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

P62-16/LO/AC
17 October 2016

BACKGROUND PAPERS: None

For further information please ask for Lawson Oddie.

ANNEX 1

Employees – April to September 2016

Cost Centre	Cost Centre Name	Original Estimate to end September 2016	Actual to end September 2016	Variance
ARTDV	Art Development	6,690	6,892	202
BCSAP	Building Control SAP Fees	56	20	-36
BYELE	District By-Elections	0	807	807
CEXEC	Chief Executives Department	495,929	464,201	-31,728
CIVCF	Civic Functions	6,336	6,069	-267
CIVST	Civic Suite	5,522	4,513	-1,009
CLMKT	Clitheroe Market	1,296	688	-608
CLOFF	Council Offices	22,911	24,124	1,213
COMMD	Community Services Department	545,928	551,156	5,228
COMPR	Computer Services	79,784	84,012	4,228
CONTC	Contact Centre	80,244	83,065	2,821
COSDM	Cost of Democracy	2,072	1,652	-420
CPADM	Car Park Administration - Off Street	24,178	23,941	-237
DNHAM	Downham Toilets	132	120	-12
ELECT	Register of Electors	168	1,359	1,191
EXREF	Exercise Referral Scheme	20,382	50,697	30,315
FSERV	Financial Services	283,483	291,842	8,359
HGBEN	Housing Benefits	0	1,402	1,402
HSASS	Housing Associations	0	893	893
LSERV	Legal Services	158,654	159,022	368
OMDEV	Organisation & Member Development	156,727	158,263	1,536
PAPER	Waste Paper and Card Collection	49,762	47,121	-2,641
PARIS	Parish Elections	0	970	970
PCADM	Public Conveniences Administration	2,432	2,248	-184
PKADM	Grounds Maintenance	116,027	119,937	3,910
PLATG	Platform Gallery and Visitor Information	35,623	39,677	4,054
RCOLL	Refuse Collection	357,187	348,857	-8,330
REVUE	Revenues & Benefits	234,310	239,991	5,681

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

Cost Centre	Cost Centre Name	Original Estimate to end September 2016	Actual to end September 2016	Variance
RPOOL	Ribblesdale Pool	166,374	158,430	-7,944
SDEPO	Salthill Depot	10,698	11,046	348
STCLE	Street Cleansing	72,626	72,847	221
SUPDF	Superannuation Deficiency Payments	3,156	3,156	0
TFRST	Waste Transfer Station	11,904	11,519	-385
VEHCL	Vehicle Workshop	25,998	27,923	1,925
WKSAD	Works Administration	61,348	56,843	-4,505
		3,037,937	3,055,302	17,365

ANNEX 2

Fees and Charges – April to September 2016

Cost Centre	Cost Centre Name	Original Estimate to end September 2016	Actual to end September 2016	Variance
BCSAP	Building Control SAP Fees	-2,696	-410	2,286
BLDGC	Building Control	-92,484	-124,628	-32,144
CIVST	Civic Suite	-2,028	-3,200	-1,172
CLCEM	Clitheroe Cemetery	-19,624	-33,991	-14,367
CLMKT	Clitheroe Market	-110,638	-111,714	-1,076
COMMD	Community Services Department	-312	-224	88
DOGWD	Dog Warden & Pest Control	-9,620	-6,611	3,009
DRAIN	Private Drains	-742	-795	-53
EALLW	Edisford All Weather Pitch	-8,724	-13,898	-5,174
EDPIC	Edisford Picnic Area	-645	-500	145
ENVHT	Environmental Health Services	-8,126	-9,982	-1,856
EXREF	Exercise Referral Scheme	-936	-2,741	-1,805
FSERV	Financial Services	-558	-557	1
IMPGR	Improvement Grants	-3,630	-1,585	2,045
LANDC	Land Charges	-40,477	-33,969	6,508
LICSE	Licensing	-65,117	-61,423	3,694
LSERV	Legal Services	0	-658	-658
MCAFE	Museum Cafe	-3,711	-4,556	-845
PLANG	Planning Control & Enforcement	-291,128	-290,818	310
PLATG	Platform Gallery and Visitor Information	0	17	17
RCOLL	Refuse Collection	-11,942	-19,933	-7,991
RPOOL	Ribblesdale Pool	-204,131	-197,342	6,789
RVPRK	Ribble Valley Parks	-4,639	-2,792	1,847
SDEPO	Salthill Depot	-506	-351	155
SIGNS	Street Nameplates & Signs	-258	0	258
SPODV	Sports Development	-106	-847	-741

ANNEX 2

Fees and Charges – April to September 2016

Cost Centre	Cost Centre Name	Original Estimate to end September 2016	Actual to end September 2016	Variance
TRREF	Trade Refuse	-200,176	-302,305	-102,129
VARIOUS	Car Parks	-193,873	-205,998	-12,125
		-1,276,827	-1,431,810	-154,983