

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 17

meeting date: 10 MARCH 2018
 title: REVENUE MONITORING 2017/18
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To let you know the position for the first ten months of this year's revenue budget as far as this committee is concerned. This comparison is made against the **revised** estimate.
- 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 **revised** estimate for the period. You will see an overall overspend of £54,551 on the net cost of services. After allowing for estimated transfers to and from balances and reserves this overspend is reduced to £44,467.
- 2.2 This overspend position includes a provision for a grant to cover the cost of council tax discounts given to households as a result of Storm Eva. With full recovery of this provision, the position would be an underspend of £15,715 before earmarked reserves.

Cost Centre	Cost Centre Name	Net Budget for the full year	Net REVISED Budget to the end of the period	Actual including Commitments to the end of the period	Variance	
		£	£	£	£	
COMPR	Computer Services	0	196,914	201,089	4,175	A
LICSE	Licensing	35,630	-81,799	-88,019	-6,220	R
LANDC	Land Charges	19,120	-48,500	-42,996	5,504	R
FGSUB	Grants & Subscriptions – P & F	164,840	125,155	131,074	5,919	R
PARGR	Parish Council Grants	16,500	16,500	21,633	5,133	R
CEXEC	Chief Executives Department	0	744,879	738,394	-6,485	R
CLTAX	Council Tax	350,280	58,386	128,687	70,301	R
NNDRC	National Non Domestic Rates	30,350	-21,308	-20,804	504	G
CORPM	Corporate Management	335,920	0	99	99	G
EMERG	Community Safety	64,230	7,694	5,456	-2,238	A
FLDRB	Flood Grants – Businesses	0	47,330	49,735	2,405	A
FLDRH	Flood Grants - Householders	0	177,424	185,041	7,617	R

Cost Centre	Cost Centre Name	Net Budget for the full year	Net REVISED Budget to the end of the period	Actual including Commitments to the end of the period	Variance	
		£	£	£	£	
BYELE	District – By - Elections	750	624	3,866	3,242	A
DISTC	District Elections	3,720	3,100	4,123	1,023	G
ELADM	Election Administration	68,970	0	0	0	G
ELECT	Register of Electors	79,040	41,350	40,310	-1,040	G
PARIS	Parish Elections	0	0	1,389	1,389	G
ESTAT	Estates	60,630	-29,526	-29,024	502	G
CIVCF	Civic Functions	53,390	35,294	32,346	-2,948	A
COSDM	Cost of Democracy	441,950	193,347	189,206	-4,141	A
FSERV	Financial Services	0	487,726	485,924	-1,802	G
LUNCH	Luncheon Clubs	14,020	12,910	3,220	-9,690	R
CIVST	Civic Suite	0	24,262	21,735	-2,527	A
CLOFF	Council Offices	0	158,730	148,540	-10,190	R
FMISC	Policy & Finance Miscellaneous	-126,800	32,887	32,159	-728	G
PERFM	Performance Reward Grants	0	0	0	0	G
SUPDF	Superannuation Deficiency Paym'ts	94,590	74,731	74,811	80	G
LSERV	Legal Services	0	267,530	264,595	-2,935	A
OMDEV	Organisation & Member Development	0	291,889	280,144	-11,745	R
CSERV	Corporate Services	165,720	23,069	19,569	-3,500	A
CONTC	Contact Centre	0	141,322	139,788	-1,534	G
REVUE	Revenues & Benefits	0	372,194	368,326	-3,868	A
MRDVA	Market Redevelopment Area	0	0	18,249	18,249	R
Total net cost of services		1,872,850	3,354,114	3,408,665	54,551	

Items added to / (taken from) balances and reserves					
FNBAL H230	Election Reserve Fund	18,070	-3,724	-9,378	-5,654
FNBAL H269	Asset Revaluation Reserve	2,060	0	0	0
FNBAL H326	Performance Reward Grant	-15,720	-16,500	-21,633	-5,133
FNBAL H337	Equipment Reserve	-12,600	0	0	0
FNBAL H262	Individual Electoral Registration Reserve	-8,200	-712	-9	703
NEW	Superannuation Adj REserve	7920	0	0	0
FNBAL H362	ITC Reserve	-6,520	0	0	0
FNBAL F719	Vat Shelter Reserve	205,650	0	0	0
Net Balances and reserves		190,660	-20,936	-31,020	-10,084

Net Expenditure	2,063,510	3,333,178	3,377,645	44,467
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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.

Description	Variance to end of January 2017 £
LICSE – LICENSING – Premises Insurance Increase in number of licenses renewed in period	-5,018
MRDVA – Market Redevelopment area Professional fees incurred on redevelopment of market scheme, currently held in suspense account. Cost to be recovered by developer	18,249
CLTAX – Council Tax / Storm Eva section s31 Grant This relates to a provision in respect of a section 31 grant from MHCLG made in 2016/17 accounts brought forward to 2017/18. The purpose of the grant is to cover the cost of council tax discounts given to households as a result of Storm Eva. Once the adjustment for claims in this year has been made at year end, this variance should clear	70,269

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an overspend of £44,467 on the first ten months of the financial year 2018/19 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

None

PF27-18/TH/AC

9 March 2018

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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
LICSE/8437u	Licensing / Premises	-59,120	-53,173	-58,191	-5,018	R	Increase in licenses renewed in period	No action proposed.
FLDRH/4676	Flood Resilience Grants - Households / Grants to individuals	212,890	177,424	185,041	7,617	R	Grant funded remedial work still ongoing on properties affected by the 2015 floods.	Claim to be prepared for reimbursements of expenditure from section 31 grant for Community Recovery Schemes paid via Lancashire County Council
MRDVA/3085	Market Redevelopment Area / Consultants	0	0	18,249	18,249	R	Professional fees incurred on redevelopment of market scheme, currently being held in suspense account	Cost to be recovered from developer
PARGR/4672	Parish Council Grants	16,500	16,500	21,633	5,133	A	Timing of grant payments	No action proposed.
CLOFF/2402	Council Offices / Repair & Maintenance - Buildings	37,210	31,012	25,189	-5,823	R	At the end of January work had still to be carried out on the council offices staircases	No action proposed.

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/8649z	Council Tax / Storm Eva S31 Grant	0	0	70,269	70,269	R	<p>This relates to a provision in respect of a section 31 grant from MHCLG made in 2016/17 accounts brought forward to 2017/18. The purpose of the grant is to cover the cost of council tax discounts given to households as a result of Storm Eva.</p> <p>Once the adjustment for claims in this year has been made at year end, this variance should clear</p>	No action proposed.

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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
CEEXEC/0100	Chief Executives Department / Salaries	756,100	630,134	627,993	-2,141	A	Variance is due to staff vacancies within Housing and Regeneration sections and also pest control.
CEEXEC/1013	Chief Executives Department / Tuition Fees	5,320	4,675	1,577	-3,098	A	Some professional training costs have been charged directly to the service
CEEXEC/2643	Chief Executives / Mileage allowances	10,200	8,528	11,129	2,601	A	Delay in recharging the cost of building control mileage to the service
LSERV/2976	Legal Services / Reference Books	9,740	9,226	7,169	-2,057	A	No payment has been made to Lexis Nexis Ltd for online subscription and no miscellaneous reference books purchased.
CLOFF/2432	Council Offices / Electricity	33,430	27,862	24,573	-3,289	A	Delay in being invoiced by Npower, last invoice was for the period ending 31 December 2017
OMDEV/1023	Organisation & Member Development / Corporate Training	15,310	6,060	3,319	-2,741	A	Training courses for staff are being organised
FLDRB/4672	Flood Resilience Grants - Businesses / Grants	56,790	47,330	49,735	2,405	A	Grant funded remedial work still ongoing on properties affected by the 2015 floods.

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
NNDRC/2809	National Non Domestic Rates / Non Recurring purchase of equipment	0	0	2,550	2,550	A	The variance is due to an order being placed for changes to software needed for changes to Business Rates bills. To be grant funded