

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 22

meeting date: 25 SEPTEMBER 2018  
 title: REVENUE MONITORING 2018/19  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: LAWSON ODDIE

### 1 PURPOSE

1.1 To let you know the position for the period April to July 2018 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. To meet the objective within this priority, of maintaining 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 to the end of July. You will see an overall overspend of £23,249 on the net cost of services. Please note that underspends are denoted by figures with a minus symbol. After allowing for transfers to/from earmarked reserves there remains an overspend of £23,249.

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	
CEXEC	Chief Executives Department	0	360,675	372,278	11,603	R
CIVCF	Civic Functions	60,220	27,714	26,022	-1,692	G
CIVST	Civic Suite	-1,500	15,598	16,518	920	G
CLOFF	Council Offices	0	100,543	152,853	52,310	R
CLTAX	Council Tax	337,060	28,562	25,431	-3,131	A
COMPR	Computer Services	0	113,187	133,392	20,205	R
CONTC	Contact Centre	0	62,778	62,661	-117	G
CORPM	Corporate Management	340,540	0	0	0	G
COSDM	Cost of Democracy	450,060	83,070	82,228	-842	G
CSERV	Corporate services	185,780	8,689	7,139	-1,550	G
ELADM	Election Administration	5,370	0	0	0	G
ELECT	Register of Electors	106,150	25,878	-1,904	-27,782	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	
EMERG	Community Safety	64,130	3,124	665	-2,459	A
ESTAT	Estates	67,450	-11,231	-7,355	3,876	A
FGSUB	Grants & Subscriptions - Policy and Fin	167,320	119,989	121,249	1,260	G
FMISC	Policy & Finance Miscellaneous	-61,370	12,938	10,966	-1,972	G
FSERV	Financial Services	0	244,314	240,959	-3,355	A
LANDC	Land Charges	15,020	-20,135	-12,664	7,471	R
LICSE	Licensing	43,050	-10,084	-13,544	-3,460	A
LSERV	Legal Services	0	125,454	128,114	2,660	A
LUNCH	Luncheon Clubs	14,280	0	0	0	G
NNDRC	National Non Domestic Rates	41,840	6,676	-23,798	-30,474	R
OMDEV	Organisation & Member Development	0	138,782	136,189	-2,593	A
PERFM	Performance Reward Grants	3,430	0	0	0	G
REVUE	Revenues & Benefits	0	186,433	189,001	2,568	A
SUPDF	Superannuation Deficiency Payments	97,600	15,053	14,853	-200	G
	<b>Subtotal</b>	<b>1,936,430</b>	<b>1,638,007</b>	<b>1,661,256</b>	<b>23,249</b>	

Transfers to/from Earmarked Reserves				
Elections Earmarked Reserve	22,990	0	0	0
Performance Reward Grant Earmarked Reserve	-2,650	0	0	0
ICT Earmarked Reserve	-3,970	0	0	0
VAT Shelter Earmarked Reserve	108,080	0	0	0
Pensions Triennial Revaluation Reserve	33,320	0	0	0
Revaluation Reserve	2,110	0	0	0
Repairs and Maintenance Earmarked Reserve	-7,140	-1,072	-1,072	0
<b>Total after Transfers to/from Earmarked Reserves</b>	<b>2,089,170</b>	<b>1,636,935</b>	<b>1,660,184</b>	<b>23,249</b>

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, which 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 For this committee there has been an additional revenue item approved in to the budget. As the 'responsible person' Ribble Valley Borough Council has carried out Fire Risk Assessments of most of the council's current building portfolio. Most of the council's buildings required only minor works following the Fire Risk Assessments but as these are deemed as minor works they are accommodated in the repair and maintenance budgets.
- 3.3 In respect of this committee, more substantial works were identified at the Longridge Over 60's Club (£7,140). Additional budget to facilitate these works was approved at Policy and Finance Committee on 19 June, with the additional budget to be funded from the Repairs and Maintenance Earmarked Reserve.
- 2.6 In summary the main area of variance that is **unlikely** to rectify itself by the end of the financial year is shown below:

Description	Variance to end July 2018 £
<b>Register of Electors (ELECT)</b> - This is income that relates to Individual Electoral Registration (IER) for 2018/19. The grant was announced and received in July 2018. This additional income will be reflected at revised estimate time	-25,411
<b>Land charges (LANDC)</b> – This is further grant that has been received by the council in respect of Land Charges New Burdens. This will be reflected in the revised estimate	-4,323

- 2.7 A further area of concern, but one which may correct itself by the end of the year is the variance shown in Annex 1 with regard to Land Charges Search Fees income (under achievement on income of £10,460 to the end of July). There has been a lower than anticipated level of income from Land Charge Search Fees – and compared to past years. This is due to a lower number of requests being received to date.

2.8 We will continue to closely monitor the fee income and the numbers of searches being requested. Further review work on the reasons for the fall in search requests/income is also to be carried out by the legal section.

### 3 CONCLUSION

3.1 The comparison between actual and budgeted expenditure shows an overspend of £23,249 for the first four months of the financial year 2018/19. After allowing for transfers to/from earmarked reserves there remains an overspend of £23,249.

3.2 There is concern around the lower level of income being received than anticipated in respect of Land Charge Search Fees, but further review work on the reasons for the fall in search requests/income is also to be carried out by the legal section.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF46-18/LO/AC  
3 September 2018

## Policy and Finance Committee Budget Monitoring – 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
CEXEC/0100	Chief Executives Department/Salaries	789,640	263,420	269,552	6,132	There has been a lower level of staff turnover experienced in this service area than allowed for in the setting of the budget.	The budget will be reviewed at the time of setting the revised estimate.
CLOFF/2432	Council Offices/Electricity	37,900	12,632	65,629	52,997	<p>This variance is due to disputed invoices with nPower with regard to backdated electricity charges for the Council Offices. They were written to on 10 April disputing the charges and have only recently been in touch with the council at the end of August.</p> <p>We are currently in communication with nPower to try to resolve this dispute.</p>	We will continue to monitor this position and hold these unpaid invoices in dispute.

Policy and Finance Committee Budget Monitoring – 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
COMPR/2991	Computer Services/Communication Equipment	11,060	4,617	18,133	13,516	This variance is due to a large 3 year commitment in respect of our internet connection. At the end of the financial year, approximately £10,000 of this variance will be rolled forward to the 2019/20 and 2020/21 financial years.	The commitments that are showing against this year’s budget will be rolled forward at the end of the financial year, clearing most of this variance
ELECT/8050z	Register of Electors/Individual Electoral Registration	0	0	-25,411	-25,411	This income relates to Individual Electoral Registration (IER) for 2018/19. The grant was announced and received in July 2018	This additional income will be reflected at revised estimate time
LANDC/8408n	Land Charges/Search Fee (Vatable)	-73,840	-26,250	-15,790	10,460	Lower than anticipated level of income from Land Charge Search Fees – and compared to past years. This is due to a lower number of requests being received to date.	We will continue to closely monitor the fee income and the numbers of searches being requested. Further review work on the reasons for the fall in search requests/income is to be carried out by the legal section.

Policy and Finance Committee Budget Monitoring – 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
NNDRC/8649z	National Non Domestic Rates/Storm Eva S31 Grant	0	0	-30,786	-30,786	<p>This is final funding received from MHCLG in support of our Business Rates support following the floods of 2015.</p> <p>The government paid this council a final grant at the end of 2017/18 which was equivalent to the monies due in total to all precepting bodies, rather than just the share due to this council.</p>	<p>We are currently awaiting confirmation from MHCLG on how this will be rectified.</p> <p>This variance will eventually clear itself, by year end at the latest.</p>

## Planning and Development Committee Budget Monitoring – 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
COMPR/3006	Computer Services/Government Connect	20,170	4,305	7,840	3,535	<p>The overspend here reflects the commitment that is in place for the health check work that was unable to be completed at the end of the 2017/18 financial year.</p> <p>Resources have also been set aside in an earmarked reserve to fund this work and the necessary budget adjustments to reflect this will be brought in at revised estimate time</p>
ESTAT/3090	Estates/Legal	1,450	484	4,195	3,711	<p>The variance shown relates to a number of external valuations that have been sought in respect of a number of council assets to support ongoing work.</p>
LANDC/8657z	Land Charges/DCLG - Property Searches	0	0	-4,323	-4,323	<p>Further grant has been received by the council in respect of Land Charges New Burdens Grant. This will be reflected in the revised estimate</p>



### Planning and Development Committee Budget Monitoring – 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
LSERV/0100	Legal Services/Salaries	259,610	86,604	90,323	<b>3,719</b>	There has been a lower level of staff turnover experienced in this service area than allowed for in the setting of the budget.
NNDRC/3165	National Non Domestic Rates/RV Finder Fees	0	0	2,035	<b>2,035</b>	This is a chargeable service for identifying properties not included on the Valuation Office list of rateable properties. This was not included within the budget, but does result in additional retained business rates for the council – which is reflected elsewhere in the council's overall budget. This will be reflected in the revised estimate.
REVUE/0100	Revenues & Benefits/Salaries	380,770	127,024	131,463	<b>4,439</b>	There has been a lower level of staff turnover experienced in this service area than allowed for in the setting of the budget.