

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 6

meeting date: 21 JANUARY 2020
title: REVISED REVENUE BUDGET 2019/20
submitted by: DIRECTOR OF RESOURCES
principal author: VALERIE TAYLOR

1 PURPOSE

- 1.1 To agree a revised revenue budget for 2019/20 for this committee.

2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2019.
- 2.2 As members will be aware, there can be numerous variations to the budget that come to our attention as the year progresses, particularly through the budget monitoring process.
- 2.3 At this time of year we revise the estimates for the current financial year in order to predict the likely outturn. In essence the Revised Estimate is the council's latest forecast for the outturn on the current financial year's budget. This also assists us in preparing the original estimate for the coming financial year.

3 REVISING THE ORIGINAL ESTIMATE

- 3.1 Since the budget was originally set we now have the benefit of information from the outturn position for 2018/19 and the variances that were experienced in that financial year. Furthermore, as we have been monitoring our budgets during the year we can also use this information to inform the revised budget process.
- 3.2 The original budget for 2019/20 included provision for pay increases at 3% and price increases at 2%.
- 3.3 Whilst our committee income and expenditure may increase or decrease at the revised estimate, items such as our budgeted core government funding and our council tax precept remain fixed. As a result, any compensating movement is within our earmarked reserves and general fund balances.
- 3.4 In addition to the use of data on past performance there have been detailed discussions with budget holders and heads of service on past service provision and future plans, playing an integral part in the budget setting process.
- 3.5 Furthermore, decisions and actions required as a result of committee meetings are incorporated in to the budget setting process, whilst financial implications would likely have already been identified as part of any committee decision.
- 3.6 As part of the setting of the revised estimate, this report is now presented to committee to seek comment and approval. Once approved by this committee, the revised estimate will be reported to Special Policy and Finance Committee.

3.7 The proposed revised estimate for this committee is now presented in the following section, with details of the movements that affect this revision being detailed at Annex 1. There are also details of the current actual position as at the end of November against the profiled Original Estimate and alongside the proposed Revised Estimate at Annex 2.

4 PROPOSED REVISED REVENUE BUDGET 2019/20

4.1 A comparison between the original and revised budgets for each cost centre is shown below, together with the associated movements in earmarked reserves.

Cost Centre and Description	Original Estimate 2019/20	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2019/20
CEXEC: Chief Executives Department	0	23,370	120	-23,490		0
CIVCF: Civic Functions	61,430	-3,190	-40	-820		57,380
CIVST: Civic Suite	0	-910	1,230	-5,170	4,850	0
CLOFF: Council Offices	0	36,180	220	-21,630	-14,770	0
CLTAX: Council Tax	375,450	-5,860	2,430	-11,380		360,640
COMPR: Computer Services	0	19,440	-2,400	-17,040		0
CORPM: Corporate Management	342,600			11,010		353,610
COSDM: Cost of Democracy	476,670	960		12,930		490,560
CSERV: Corporate services	163,230	-1,190		8,580		170,620
DISTC: District Elections	120,000	-18,880				101,120
ELADM: Election Administration	24,660			26,600		51,260
ELECT: Register of Electors	109,570	350	-17,790	-12,950		79,180
EMERG: Community Safety	65,210	-30		-950		64,230
ERNET: Emergency Radio Network	0	2,870	-2,800			70
ESTAT: Estates	70,360	1,880	-18,060	40	-250	53,970

Cost Centre and Description	Original Estimate 2019/20	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2019/20
FGSUB: Grants & Subscriptions - Policy and Fin	169,670	4,190		-1,770		172,090
FMISC: Policy & Finance Miscellaneous	43,370	6,200	-47,570	-2,490		-490
LANDC: Land Charges	28,660	310	-2,830	-13,840		12,300
LICSE: Licensing	29,770	1,180	-970	3,340		33,320
LUNCH: Luncheon Clubs	14,520			1,220		15,740
NNDRC: National Non Domestic Rates	48,570	1,390	-8,860	-4,800		36,300
PARGR: Parish Council Grants	0	1,050				1,050
RESOR: Resources Department	11,950	-6,260	870	5,890	-12,450	0
SUPDF: Superannuation Deficiency Payments	99,010	-2,160				96,850
Grand Total	2,254,700	60,890	-96,450	-46,720	-22,620	2,149,800
Associated Movements in Earmarked Reserves						
FNBAL/H328 Repairs and Maintenance Reserve		-27,950				-27,950
FNBAL/H337 Equipment Reserve		-16,900				-16,900
FNBAL/H294 Cyber Resilience Grant Reserve		-10,600				-10,600
FNBAL/H230 Elections Fund Reserve	-90,000	18,230				-71,770
FNBAL/H330 Capital Reserve		290	13,100			13,390
FNBAL/H269 Revaluation of Assets Reserve	2,150	-9,400				-7,250
FNBAL/H289 EU Exit Funding Reserve			34,970			34,970

Cost Centre and Description	Original Estimate 2019/20	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2019/20
FNBAL/H326 Performance Reward Grant Reserve		-1,050				-1,050
FNBAL/H262 ICT Equipment Reserve		-3,130				-3,130
FNBAL/H302 LCTS New Burdens Grant Reserve		-1,600				-1,600
FNBAL/H334 Restructuring Reserve		-9,600				-9,600
FNBAL/H369 Pensions Triennial Revaluation Reserve	50,540	-26,130				24,410
FNBAL/H326 VAT Shelter Reserve			26,060			26,060
Net after Movements in Earmarked Reserves	2,217,390	-26,950	-22,320	-46,720	-22,620	2,098,780

- 4.2 The difference between the revised and original estimate is a decrease in net expenditure of £104,900 or a decrease in net expenditure of £118,610 after allowing for movements on earmarked reserves.

5 KEY MOVEMENTS FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE

5.1 Within the proposed Revised Estimate there are a number of substantial movements, and these are summarised in the table below. A more detailed analysis of the movements is provided at Annex 1.

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20 £
<p><u>CEXEC: Chief Executive's Department</u> Employee turnover within the Chief Executives Department has been lower than that built in to the original budget estimate. This, along with the employment of a temporary dog warden post increases the estimated expenditure on direct employee costs for the year (£18k).</p> <p>It has also been necessary to engage an external pest control service during the financial year to ensure continuation of the service during a period of staff shortages (£8k).</p>	26,460
<p><u>CLOFF: Council Offices</u> A budget of £12k has been brought in for the refurbishment of the council offices' canteen which is to be funded from the equipment reserve (approved by this Committee in November 2019).</p> <p>Funds were set aside in the repairs and maintenance reserve at the end of the 2018/19 financial year to fund the cost of painting the Council Offices. Detailed costings for the work, which is to be completed by the Engineering Section, have been undertaken and the estimated cost of £28k has now been brought into the Council Offices budget.</p>	12,000 27,950
<p><u>COMPR: Computer Services</u> Software maintenance costs have increased at revised estimate. £7k of this is due to year one revenue costs associated with the corporate firewall capital scheme which has been offset in part by a credit received of -£2k for the trade in of returned hardware. The remaining increases are variations to standard budgeted inflation.</p> <p>The council successfully bid for cyber resilience funding from the Local Government Association during the 2018/19 financial year. The funds were moved to an earmarked reserve and this expenditure brings in a budget to expend the funds on external consultancy support in the current financial year to review the council's resilience and recovery arrangements.</p>	6,130 10,000

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20 £
<p><u>DISTC: District Elections</u> Budgeted costs in respect of the 2019 district election which were incurred towards the end of the 2018/19 financial year have reduced this year's estimate. Costs for district elections are funded from funds set aside in the elections reserve.</p>	-18,880
<p><u>ELECT: Register of Electors</u> The council has received a new burdens grant from central government to continue to support the additional costs involved in introducing Individual Electoral Registration (IER).</p>	-17,790
<p><u>ESTAT: Estates</u> Income received for the sale of council land at Peel Park, Claremont Drive and Shay Lane. It is anticipated that after accounting for associated net valuation fees approximately £12k of this will be moved to the capital earmarked reserve to help fund future capital expenditure.</p>	-13,100
<p><u>FMISC: Finance Miscellaneous</u> Funding has been received from central government to support local councils with any costs incurred in preparation for the EU Exit (-£35k). Any unspent funds in the current year will be set aside in the EU Exit Reserve to meet future associated costs. It is also anticipated that the council will receive transparency code new burdens grant of -£8k this year.</p> <p>The value of VAT shelter income to be received in the current financial year from Onward Homes has been forecast and a budget brought in. This will be transferred to the VAT shelter earmarked reserve.</p> <p>The difference between the council's budgeted employer pension liability (at 16.5% of estimated pensionable pay at revised estimate) and the lump sum payment invoiced from the pension service in 2019 has decreased. The difference between the actual payment and our estimated current year liability is transferred to the pensions triennial reserve.</p>	-43,070 -26,060 26,130
<p><u>RESOR: Resources Department</u> Employee turnover within the Resources Department has been higher than that built in to the original budget estimate. This reduces the estimated expenditure on direct employee costs for the year.</p>	-18,810

Description	Variance Original Estimate 2019/20 to DRAFT Revised Estimate 2019/20 £
<p><u>NNDRC: National Non Domestic Rates</u> A budget of -£9k has been brought in at revised estimate for funding that has been received from the Ministry of Housing, Communities and Local Government for software and administrative costs of retail discount legislation. This has been offset by associated software costs of £2k.</p>	-7,500
<p><u>Support Service Costs</u> There is a net decrease in support service costs charged to this committee following changes to various departmental cost allocations</p>	-46,720
<p><u>Movement in Capital (Depreciation Charges)</u> There have been reductions to the depreciation charges for Council Offices (-£15k) and the Resources Department (-£12k) due to revaluations and also a delay in the introduction of the new telephone system.</p>	-27,220

6 CONCLUSION

6.1 The difference between the revised and original estimate is a decrease in net expenditure of £118,610 after allowing for transfers to and from earmarked reserves.

7 RISK ASSESSMENT

7.1 The approval of this report may have the following implications

- Resources: approval of the revised estimate would see an decrease in net expenditure of £104,900 or £118,610 after movements on earmarked reserves.
- Technical, Environmental and Legal: none identified
- Political: none identified
- Reputation: sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

8 RECOMMENDED THAT COMMITTEE

8.1 Agree the revenue revised estimate for 2019/20.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF2-20/VT/AC

19 December 2019

For further background information please ask for Valerie Taylor

BACKGROUND PAPERS - None

**POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
CEXEC: Chief Executives Department					
Employee turnover within the Chief Executives Department has been lower than that built in to the budget. This, along with the employment of a temporary dog warden post increases the estimated expenditure on salaries, national insurance and superannuation for the year.	18,520				
There has been additional expenditure on overtime which has increased the estimate for the year, particularly with regards to additional hours worked on elections.	1,370				
It has been necessary to engage an external pest control service during the financial year to ensure continuation of the service during a period of employee staff shortages.	7,940				
The annual deficit recovery payment for superannuation is allocated across the authority based on an updated estimate of pensionable salaries within the service area, which in this case were higher than originally estimated.	2,030				
Lower take up of the lease car scheme than allowed for in the base original estimate.	-4,490				

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Cost of subscription to online legal services for 2019/20 is below that provided for in the original estimate.	-2,400				
Net increase in support service costs due to changes in cost allocations from council premises and the ICT and Resources Departments.			12,650		
An increase to the net cost of the department overall as a result of the reasons listed above increases the recharges out to other service areas.			-36,140		
Total Chief Executives Department					-520
CIVCF: Civic Functions					
A temporary reduction to contractual hours for a post has reduced employee basic salary costs for the revised estimate.	-2,630				
A reduction to transport related costs within the estimate. Comprising of a reduction to the insurance cost for the year and also lower diesel costs than estimated due to reduced mileage.	-740				
Net decrease in support service costs due to changes in cost allocations from the Chief Executives and Resources Departments.			-820		
Total Civic functions					-4,190
CIVST: Civic Suite					

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Repairs and maintenance requirements for the year are lower than expected allowing for prioritisation of expenditure on other areas.	-1,200				
Increased depreciation charge as a result of the refurbishment work in the 2018/19 capital programme.				4,850	
Reduction in demand for hire of the Civic Suite particularly with regards to the Coroners Office has reduced the level of income estimated for the year.		1,230			
An increase to the net cost of the Civic Suite has increased the recharges out to other service areas.			-5,170		
Total Civic Suite					-290
CLOFF: Council Offices					
A post previously charged to the Council Offices budget is now being accounted for within the Resources Departmental budget. This has resulted in a decrease to the estimated expenditure on salaries, national insurance and superannuation for the year within this cost centre.	-2,780				
Increased requirement for temporary staffing to cover a prolonged period of absence.	1,340				
Repairs and maintenance requirements for the year have been lower than expected allowing for prioritisation of expenditure on other areas.	-4,000				

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Budget brought in for the refurbishment of the council offices' canteen which is to be funded from the Equipment Reserve (approved by this Committee in November 2019).	12,000				
Funds were set aside in the Repairs and Maintenance Reserve at the end of the 2018/19 year to fund the cost of painting the council offices. Detailed costings for the work, which is to be completed by the Engineering Section, have been undertaken and the estimate has been brought into the budget.	27,950				
The transitional surcharge that applied to the council offices annual business rates liability following a reduction in the premises rateable value has now ended, reducing the estimate for the 2019/20 financial year.	-2,150				
Increases to the estimates for current year utility charges, particularly with regards to electricity where the estimate has been increased by £2,600 to account for backdated capacity mechanism charges (contribution to a scheme that ensures the UK meets future electricity needs).	4,100				
Decrease to the depreciation estimate as a result of the latest revaluation at 31 March 2019.				-14,770	

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
The increased overall net cost of the council offices as a result of the reasons listed above has in turn increased the recharges out to other service areas.			-21,630		
Total Council Offices					60
CLTAX: Council Tax					
An analysis of spend on postage costs for the first six months of the financial year plus an estimate for the remainder indicates that outturn is likely to be lower than the original estimate.	-2,500				
One-off contribution to a joint procurement exercise to negotiate costs relating to Allpay charges over the next four years. The cost has been offset in part by savings which were being paid elsewhere in order to access Allpay.	1,290				
The court costs charged to the council per summons have reduced.	-1,920				
Estimated annual income for the recovery of the cost of summonses is estimated on a 3-year average. Following analysis of the 2016/17 - 2018/19 financial years the budget has been reduced at revised estimate.		1,910			
Net decrease in support service costs due to changes in cost allocations from the ICT, Community, Chief Executives and Resources Departments.			-11,380		
Total Council Tax					-12,600

POLICY AND FINANCE COMMITTEE
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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
COMPR: Computer Services					
Software maintenance costs have increased at revised estimate. £7k of this is due to year one revenue costs associated with the corporate firewall capital scheme, which have been offset in part by a credit received for the trade-in of returned hardware (see below). The remaining increases are variations to standard budgeted inflation.	8,530				
Credit received for the trade-in of returned hardware.		-2,400			
Grant funded external consultancy support to review the council's resilience and recovery arrangements. To be funded from the Cyber Resilience Earmarked Reserve.	10,000				
Increase in support service costs due to changes in the annual recharge for the Council Offices.			1,020		
An increase to the overall net cost of the service as a result of the reasons listed above has increased the recharges out to other service areas.			-18,060		
Total Computer Services					-910
CORPM: Corporate Management					

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Net increase in support service costs due to changes in cost allocations from the Community, Chief Executives, Resources, and Economic Development and Planning Departments.			11,010		
Total Corporate Management					11,010
COSDM: Cost of Democracy					
To account for Member conference expenses within the Cost of Democracy cost centre. The budget has been moved in from other areas, mainly from the Resources Department.	3,030				
Lower spend this year on special allowances due to the timing of the district elections and approval of special responsibility position holders.	-1,430				
Net increase in support service costs due to changes in cost allocations from council premises and the ICT, Community, Chief Executives, Resources, and Economic Development and Planning Departments.			12,930		
Total cost of democracy					14,530
CSERV: Corporate Services					
The estimated cost per edition of the Ribble Valley News is below estimate.	-1,250				
Net increase in support service costs due to changes in cost allocations from the Community and Resources Departments.			8,580		
Total Corporate services					7,330

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
DISTC: District Elections					
Some costs on the District Election which were budgeted to take place in the current financial year were incurred towards the end of the 2018/19 financial year, reducing this year's estimate.	-18,880				
Total District Elections					-18,880
ELADM: Election Administration					
Increase to support service costs from other departments following an analysis of time spent on elections in the 2019/20 financial year.			26,600		
Total Election Administration					26,600
ELECT: Register of Electors					
Due to the number of elections falling in the current financial year there has been above average expenditure on casual employee costs.	930				
The actual cost of undertaking the canvas was lower than allowed for in the original estimate.	-1,610				
Higher than average postage costs have increased the estimate.	2,120				
Reclaim of software maintenance costs relating to elections.	-3,900				
The fee payable for the council's annual data protection registration has increased following a revision to the pricing structure under the Data Protection (Charges and Information) Regulations 2018.	2,430				

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Individual Electoral Registration grant received in year.		-17,790			
Net decrease in support service costs due to changes in cost allocations from the Chief Executives and Resources Departments.			-12,950		
Total Register of Electors					-30,770
EMERG: Community Safety					
Net decrease in support service costs due to changes in cost allocations from the ICT, Community, Chief Executives and Resources Departments.			-950		
Total Community Safety					-950
ERNET: Emergency Radio Network					
Budget that was previously held under the Two Way Radio cost centre (TWOWR) is now to be recorded separately under ERNET. The budget holds contributions from various Lancashire Councils towards the upkeep of the Lancashire Emergency Radio Network and associated expenditures.	2,870	-2,800			
					70
ESTAT: Estates					
The rental of a council owned building (the former physio centre) has resulted in a reduction to the council's annual NNDR liability.	-3,720				
Expenditure on the valuation of council land, £2,090 of which has been recharged.	5,640	-2,090			

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Income received for the sale of council land at Peel Park, Claremont Drive and Shay Lane. It is anticipated that after accounting for net valuation fees approximately £12k of this will be moved to the capital earmarked reserve to help fund future capital expenditure.		-13,100			
Increase to the estimated income for rental of council buildings following rental of the former physio centre.		-2,920			
Total Estates					-16,190
FGSUB: Grants and Subscriptions					
The annual budget for voluntary organisation grants has been increased following this Committee's decision in June 2019 to provide a one-off payment of £10k to LCC to provide financial support towards the operation of the 280 Preston to Skipton bus service for a period of 12 months. The original estimate for 2020/21 has been reduced by the same value.	4,190				
Decrease in support service cost allocation from the Resources Department.			-1,770		
Total Grants and Subscriptions					2,420
FMISC: Finance Miscellaneous					

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
A budget has been brought in to account for the council's mandatory five-yearly revaluation of assets which is due in the current financial year. The cost of the revaluation will be met from funds that have been set aside annually in the revaluation reserve.	9,040				
The budget for audit fees payable to Grant Thornton has been increased for additional audit work that was carried out on the 2018/19 financial accounts.	4,500				
From September 2019 the rates charged from the council's banking provider for the processing of direct banking transactions has reduced.	-3,440				
Reduction in external audit fees (Housing Benefits Subsidy audit) budget following a procurement exercise.	-2,650				
Decrease in support service cost allocation from the Resources Department.			-2,490		
Transparency code new burdens grant expected to be received in the current financial year.		-8,100			
Forecast VAT shelter income to be received in the current financial year from Onward Homes. To be transferred to the VAT shelter earmarked reserve.		-26,060			

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This is funding received from central government to support local councils with any costs incurred in preparation for the EU Exit. Any unspent funds in the current year will be set aside in the EU Exit Reserve to meet future associated costs.		-34,970			
Surplus audit fees redistributed to local authorities nationally by Public Sector Audit Appointments Ltd (PSAA).		-3,740			
This movement represents a decrease to the difference between the council's budgeted employer pension liability (at 16.5% of estimated pensionable pay) and the lump sum future service payment invoiced from the pension service in 2019. The difference is transferred to the pensions triennial reserve to smooth out the cost of future liabilities.	26,130				
Total Finance Miscellaneous					-41,780
LANDC: Land Charges					
The risk rating for Land Charges insurance has been increased by our insurers following an increase to the number of claims nationally. This has resulted in an increase to the annual cost of insurance charged to the Land Charges section.	1,060				

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Net decrease in support service costs due to changes in cost allocations from the Community, Chief Executives, Resources and Economic Development and Planning Departments.			-13,840		
Income received to the date of the review was higher than the original estimate following an increase to the number of searches carried out for the period to November.		-3,230			
Total Land Charges					-16,010
LICSE: Licensing					
Cost of membership to the National Anti Fraud Network in order to access the National Database for taxi drivers (Licensing Committee April 2018).	1,520				
Net increase in support service costs due to changes in cost allocations from the Chief Executives and Resources Departments.			3,340		
Total Licensing					4,860
LUNCH: Luncheon Clubs					
Increase in support service cost allocation from the Economic Development and Planning Department.			1,220		
Total Luncheon Clubs					1,220
NNDRC: National Non Domestic Rates					

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Cost of an update to the software system to ensure compliance with 2019 legislation concerning the retail discount (£1,730). The council has received a new burdens grant from the Ministry of Housing, Communities and Local Government to meet the software and administrative costs resulting from this legislation (-£9,230).	1,730	-9,230			
Net decrease in support service costs due to changes in cost allocations from the Community, ICT, Chief Executives and Resources Departments.			-4,800		
Estimated annual income for the recovery of the cost of summonses is estimated on a 3-year average. Following analysis of the 2016/17 - 2018/19 financial years the budget has been reduced at revised estimate.		1,150			
Total National Non Domestic Rates					-11,150
PARGR: Parish Grants					
Payment of £300 to Bowland with Leagram Parish Council for the cost of siting new benches and £750 to Wiswell Parish Council for new signage. Both to be funded from the residual performance reward grant reserve from funds set aside for this purpose.	1,050				
Total Performance Reward Grant					1,050
RESOR: Resources Department					

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	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Employee turnover to date is above that budgeted for, resulting in an decrease in expenditure on direct employee costs.	-18,810				
The budget for Member conference expenses within the corporate training budget under RESOR has been moved to the Cost of Democracy cost centre (COSDM).	-2,970				
There has been an increase in car allowance costs resulting from increased mileage claims.	1,330				
Vehicle insurance allocations are based on claims history which has increased the cost to the Resources Department for the 2019/20 financial year.	1,660				
One-off software and consultancy costs for an upgrade to the financial system. The upgrade enables production of a full audit trail to validate the calculation of the council's VAT returns which must be submitted in digital format from October 2019. Cost to be met from the Equipment Reserve.	4,900				
Funds set aside in reserve at the end of the 2018/19 financial year to pay for new training laptops have been brought in to the budget this year following purchase of the equipment. An associated movement in earmarked reserve releases the funds previously set aside.	3,130				

**POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Budget for paper and stationery reallocated to various cost centres following analysis of expenditure apportionments to the date of review.	-3,690				
A change of supplier for the council's main telephone system has generated additional maintenance costs this year during a cross-over period. The change of supplier will generate future annual savings.	2,070				
Increases to software maintenance costs including annual support costs of £1,600 for ICON payments system 3D secure (P&F Committee September 2019) and £460 for annual maintenance of the audit trail element of Making Tax Digital. A contingency of £5,160 to meet the potential cost of an over inflationary increase to an annual licence has also been brought into the budget, the final amount payable was unknown when the budget was estimated as negotiations were still underway. The cost of the ICON 3D secure for 2019/20 is to be met from the Council Tax new burdens reserve.	7,540				
Net increase in support service costs due to changes in cost allocations from council premises and the ICT Department.			9,290		

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
Reduction to the depreciation charge due to the delays in the implementation of the new telephone system (which had originally been budgeted for).				-12,450	
Decrease to the net cost of the service overall as a result of the reasons listed above has resulted in decreased recharges out to other service areas.			-3,400		
Total Resources Department					-11,400
Other Variances	-7,760	-440	40	-250	-8,410
Subtotal	87,020	-122,580	-46,720	-22,620	-104,900
MOVEMENT IN EARMARKED RESERVES					
FNBAL/H328 Repairs and Maintenance reserve: Release of funds set aside in 2018/19 for painting of the council offices.	-27,950				-27,950
FNBAL/H337 Equipment Reserve: Release from reserve to fund the refurbishment of the council offices canteen (P&F Committee November 2019)	-12,000				-12,000
FNBAL/H294 Cyber Resilience Grant Reserve Release of funds set aside to fund expenditure on review of the council's resilience and recovery arrangements, the expenditure for which is expected to take place in the current financial year.	-10,600				-10,600

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
FNBAL/H230 Elections Fund Reserve Reduction to the estimated release from reserve to fund the cost of the District Election. £18k of the expenditure with a matching release from reserve fell in the 2018/19 financial year.	18,230				18,230
FNBAL/H330 Capital Reserve Contribution to the capital reserve for the cost of a server move required to ensure that the Civica APP system, which is used by the Land Charges Section, continues to receive windows support and maintenance. The expenditure is to be capitalised as part of the council's PC replacement/ upgrade capital scheme and this contribution will help fund the scheme.	1,520				1,520
FNBAL/H330 Capital Reserve Contribution to the capital reserve for sale proceeds less associated net costs in respect of the sale of council land.	-1,230	13,100			11,870
FNBAL/H269 Revaluation of Assets Reserve Release of funds from reserve for estimated the cost of the five-yearly valuation of the council's assets.	-9,400				-9,400

**POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20**

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
FNBAL/H289 EU Exit Funding Reserve This is funding received from central government to support local councils with any costs incurred in preparation for the EU Exit.		34,970			34,970
FNBAL/H326 Performance Reward Grant Reserve Release from reserve of funds set aside to fund specific projects that have been expended in the current financial year.	-1,050				-1,050
FNBAL/H262 ICT Equipment Reserve Release from reserve of funds set aside in the 2018/19 financial year to fund training laptops in the current financial year.	-3,130				-3,130
FNBAL/H302 Local Council Tax Support New Burdens Grant Reserve Release from reserve to fund the cost of ICON payments system 3D secure (P&F Committee September 2019).	-1,600				-1,600
FNBAL/H334 Restructuring Reserve Release from reserve to fund the 2019/20 cost of a restructure of the HR section (P&F Committee April 2019).	-9,600				-9,600

POLICY AND FINANCE COMMITTEE
VARIANCES FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE 2019/20

ANNEX 1

	MOVEMENT IN EXPENDITURE £	MOVEMENT IN INCOME £	MOVEMENT IN SUPPORT SERVICES £	MOVEMENT IN CAPITAL £	TOTAL MOVEMENT £
FNBAL/H337 Equipment Reserve Release from reserve to fund the cost of an upgrade to the financial system to enable the mandatory processing of digital VAT returns from October 2019.	-4,900				-4,900
FNBAL/H369 Pensions Triennial Revaluation Reserve Contribution to reserve to equalise the difference between prepaid superannuation and the estimate of what is due to be paid.	-26,130				-26,130
FNBAL/H325 Vat Shelter Reserve: There is a decrease in the contribution to the reserve due to a decrease in the anticipated income to be received from Onward Homes under the agreement.		26,060			26,060
Total Movement in Earmarked Reserves	-87,840	74,130	0	0	-13,710
Total Movement	-820	-48,450	-46,720	-22,620	-118,610

ACTUAL TO DATE WITH ORIGINAL ESTIMATE AND PROPOSED REVISED ESTIMATE

Cost Centre	Description	Original Estimate to End November	Actual and Commitments to end November	Full Year Original Estimate	Proposed Revised Estimate
CEXEC	Chief Executives Department	722,514	736,437	0	0
CIVCF	Civic Functions	35,934	31,904	61,430	57,380
CIVST	Civic Suite	24,148	23,721	0	0
CLOFF	Council Offices	151,375	136,163	0	0
CLTAX	Council Tax	41,188	32,371	375,450	360,640
COMPR	Computer services	82,874	71,639	0	0
CORPM	Corporate Management	0	0	342,600	353,610
COSDM	Cost of Democracy	170,339	188,448	476,670	490,560
CSERV	Corporate Services	26,720	12,346	163,230	170,620
DISTC	District Elections	120,000	101,137	120,000	101,120
ELADM	Election Administration	0	0	24,660	51,260
ELECT	Register of Electors	57,110	34,963	109,570	79,180
EMERG	Community Safety	5,467	4,470	65,210	64,230
ERNET	Emergency Radio Network	-2,000	-340	0	70
ESTAT	Estates	-20,989	-36,379	70,360	53,970
FGSUB	Grants & Subscriptions - Policy & Finance	115,763	144,877	169,670	172,090
FMISC	Policy & Finance Miscellaneous	5,189	-397,355	43,370	-490
LANDC	Land Charges	-34,191	-37,007	28,660	12,300
LICSE	Licensing	-66,944	-72,347	29,770	33,320

ACTUAL TO DATE WITH ORIGINAL ESTIMATE AND PROPOSED REVISED ESTIMATE

Cost Centre	Description	Original Estimate to End November	Actual and Commitments to end November	Full Year Original Estimate	Proposed Revised Estimate
LUNCH	Luncheon Clubs	13,430	2,760	14,520	15,740
NNDRC	National Non Domestic Rates	8,556	-33,035	48,570	36,300
PARGR	Parish Council Grants	0	1,050	0	1,050
RESOR	Resources Department	1,373,286	1,339,469	11,950	0
SUPDF	Superannuation Deficiency Payments	64,121	55,966	99,010	96,850
Committee Subtotal		2,893,890	2,341,258	2,254,700	2,149,800
Earmarked Reserves					
FNBAL/H326	Performance Reward Grants Reserve	0	-1,050	0	-1,050
FNBAL/H230	Election Fund Reserve	-120,000	-101,137	-90,000	-71,770
FNBAL/H269	Revaluation of Assets Reserve	0	0	2,150	-7,250
FNBAL/H321	VAT Shelter Reserve	0	0	0	26,060
FNBAL/H288	Pensions Triennial Revaluation Reserve	0	0	50,540	24,410
FNBAL/H328	Repairs and Maintenance Reserve	0	0	0	-27,950
FNBAL/H337	Equipment Reserve	0	-8,187	0	-16,900
FNBAL/H294	Cyber Resilience Grant Reserve	0	0	0	-10,600
FNBAL/H330	Capital Reserve	0	11,870	0	13,390
FNBAL/H289	EU Exit Funding Reserve	0	34,970	0	34,970
FNBAL/H262	ICT Equipment Reserve	0	-3,130	0	-3,130
FNBAL/H302	LCTS New Burdens Grant Reserve	0	-1,600	0	-1,600
FNBAL/H334	Restructuring Reserve	0	-3,260	0	-9,600
Subtotal Earmarked Reserves		-120,000	-71,524	-37,310	-51,020
Total		2,773,890	2,269,734	2,217,390	2,098,780