

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 16

meeting date: 17 NOVEMBER 2020  
 title: REVENUE MONITORING 2020/21  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: VALERIE TAYLOR

### 1 PURPOSE

1.1 To let you know the position for the period April to September 2020 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 Whilst the Covid-19 response falls under this Committee these transactions are not reported here, but information is given in a separate report elsewhere on the agenda.

Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period to the end of September. You will see an overall underspend of £133,645 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 is an underspend of £164,305.

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance	
CEXEC	Chief Executives Department	18,910	575,142	510,031	-65,111	R
CIARA	Storm Ciara Response	0	0	2,130	2,130	A
CIVCF	Civic Functions	60,520	32,198	8,624	-23,574	R
CIVST	Civic Suite	0	19,953	19,311	-642	G
CLOFF	Council Offices	0	116,596	139,201	22,605	R
CLTAX	Council Tax	369,370	53,911	48,726	-5,185	R
COMPR	Computer Services	8,400	61,276	53,486	-7,790	A
CORPM	Corporate Management	344,540	0	0	0	G
COSDM	Cost of Democracy	505,020	160,070	143,714	-16,356	R

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance	
CSERV	Corporate services	167,810	13,887	8,406	-5,481	R
DISTC	District Elections	0	0	0	0	G
ELADM	Election Administration	31,200	0	0	0	G
ELECT	Register of Electors	107,110	44,043	24,621	-19,422	R
EMERG	Community Safety	63,710	1,405	1,991	586	G
ERNET	Emergency Radio Network	0	-998	-400	598	G
ESTAT	Estates	66,570	-17,958	-13,928	4,030	A
FGSUB	Grants & Subscriptions - Policy and Fin	168,030	95,220	93,532	-1,688	G
FMISC	Policy & Finance Miscellaneous	78,340	18,043	20,383	2,340	R
FREED	Freedom of the Borough	7,500	7,500	0	-7,500	R
LANDC	Land Charges	11,830	-28,622	-23,511	5,111	R
LICSE	Licensing	33,210	-44,570	-39,307	5,263	R
LUNCH	Luncheon Clubs	15,930	0	0	0	G
NNDRC	National Non Domestic Rates	48,840	-233,166	-234,885	-1,719	G
RESOR	Resources Department	3,490	1,048,511	1,028,621	-19,890	R
SUPDF	Superannuation Deficiency Payments	101,000	30,069	28,119	-1,950	G

	<b>Sum:</b>	<b>2,211,330</b>	<b>1,952,510</b>	<b>1,818,865</b>	<b>-133,645</b>	
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Transfers to/from Earmarked Reserves				
Elections Earmarked Reserve	30,000	0	0	0
Revaluation Reserve	2,190	0	0	0
Pensions Triennial Revaluation Reserve	38,700	0	0	0
Flood Resilience, Response & Recovery	0	0	-2,130	-2,130
Repairs and Maintenance Reserve	0	0	-27,950	-27,950

<b>Transfers to/from Earmarked Reserves</b>				
Business Rates Growth Reserve	-16,120	-16,120	-16,120	0
Cyber Resilience Grant Reserve	0	0	3,000	3,000
Equipment Reserve	0	0	-3,580	-3,580
<b>Total after Transfers to/from Earmarked Reserves</b>	<b>2,266,100</b>	<b>1,936,390</b>	<b>1,772,085</b>	<b>-164,305</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.

<b>Key to Variance shading</b>	
Variance of more than £5,000 (Red)	<b>R</b>
Variance between £2,000 and £4,999 (Amber)	<b>A</b>
Variance less than £2,000 (Green)	<b>G</b>

- 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 The **main** areas of variances that are **unlikely** to rectify themselves by the end of the financial year are shown below:

<b>Description</b>	<b>Variance to end September 2020 £</b>
<b>Chief Executive Department (CEXEC)</b> Council staffing budgets assume an average vacancy saving of 4% across the authority on estimated costs. A number of posts were vacant within the Chief Executive Department between April and September which have generated salary, mileage, superannuation and national insurance savings above that estimated.	-51,147
<b>Resources Department (RESOR)</b> There have also been a number of vacant posts within the Resources Department during the April to September period which has resulted in salary, mileage, superannuation and national insurance vacancy savings above that built into the original estimate. All salary costs will be reviewed and updated at revised estimate.	-10,105

<p><b>Cost of Democracy (COSDM)</b>  The delayed implementation of the modgov system capital scheme has brought about revenue budget software maintenance savings in the current financial year. The system is now estimated to go live in January 2021, although this is subject to ongoing service pressures resulting from the impact of COVID-19.</p>	<p>-£7,250</p>
<p><b>Freedom of the Borough (FREED)</b>  The Freedom of the Borough march which was due to take place in April was cancelled to abide by social distancing rules during the coronavirus pandemic. The march will be re-arranged, but this is unlikely to be in the current financial year.</p>	<p>-£7,500</p>

3 CONCLUSION

3.1 The comparison between actual and budgeted expenditure shows an underspend of £133,645 for the first six months of the financial year 2020/21. After allowing for transfers to/from earmarked reserves there is an underspend of £164,305.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF22-20/LO/AC  
29 October 2020

## 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	832,210	416,272	376,756	-39,516	Council staffing budgets at original estimate assume an average vacancy saving of 4% across the authority on estimated costs. A number of posts were vacant through the period to September, generating savings of £39k above that estimated.	Recruitment is now progressing on a number of vacant posts. The budget will be updated at revised estimate.
CEXEC/0109	Chief Executives Department/ Superannuation Salaries	143,050	71,554	64,563	-6,991	Vacancy savings within the department for the period to September have reduced the council's superannuation liability (please see CEXEC/0100).	The budget will be updated at revised estimate.
CIVCF/3051	Civic Functions/ Mayoral Allowance	9,010	9,010	0	-9,010	The Mayor for the municipal year is ordinarily elected at Annual Council in May of each year. Due to the disapplication of the requirement to hold an annual meeting, the council confirmed the continuation of all appointments until the next annual meeting or further decision (Emergency Committee May 2020).	The budget will be reviewed at revised estimate.

## 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
CLOFF/2427	Council Offices/ Painting and Redecoration	0	0	27,950	27,950	Funds were set aside in an earmarked reserve at the end of the 2018/19 financial year to fund the cost of redecorating the council offices during 2019/20. Due to delays, the work was not started until the current year and an external company has now been engaged.	The project is being completed in stages in order to ensure continuing compliance with workplace social distancing arrangements. The cost of work that has completed within the current year will be met from the funds previously set aside in the earmarked reserve.
COSDM/2998	Cost of Democracy /Software Maintenance	10,250	30,750	23,500	-7,250	Software maintenance costs of the modgov system at years 1, 2 and 3 are currently committed on the financial system. Year one revenue costs, which were originally estimated to fall in the 2019/20 financial year, and which are lower than costs at years 2 and 3, will now be expended in 2020/21. Commitments for years 2 and 3 will be rolled forward into 2021/22 as part of the year-end closedown process.	The budget will be amended at revised estimate to reflect the likely outturn for 2020/2021

## 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
ELECT/2971	Register of Electors/ Printing & Stationery	9,060	6,025	149	-5,876	Following the changes introduced this year to the annual canvass there was a delay in sending out household enquiry forms, which has resulted in the variance shown for associated printing and stationery costs for the period to September (see ELECT/2981).	As the council is currently part way through the annual canvass, printing and stationery costs will be incurred in due course.
ELECT/2981	Register of Electors/ Postages	29,000	19,685	10,057	-9,628	The Cabinet Office have introduced changes to the annual canvass process from this financial year. Household property data is now securely matched with central government information prior to the posting of Household Enquiry Forms. Where data agrees it is not necessary to post reminders. The data matching exercise has delayed the initial posting out of the forms (and subsequent costs of royal mail response services) creating the underspend shown for the period to September.	As the canvass reform will lead to a reduction in the number of reminders being posted out from this year it is likely that costs within this area will be less than the original estimate. The budget will be updated at revised estimate to predict the likely outturn.  The council is now part way through the annual canvass and full postage costs are expected to have been incurred by December.

## 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
FREED/Various	Freedom of the Borough/ Various	7,500	7,500	0	-7,500	The Freedom of the Borough March which was due to take place in April was cancelled to abide by social distancing rules during the Coronavirus pandemic.	The march will be re-arranged, but this is unlikely to be in the current financial year. The budget will be updated at revised estimate.
LANDC/8408n	Land Charges/ Search Fee (Vatable)	-61,210	-28,825	-23,757	5,068	Income generated from searches of the land charges register is lower than the original estimate. Demand for the service has reduced due to the coronavirus pandemic and the resulting slowdown of the housing market.	Income levels will continue to be monitored closely on a monthly basis and the forecast for 2020/21 outturn will be updated at revised estimate.  In September, Central Government launched the Local Government income compensation scheme for lost income from sales, fees and charges as a result of COVID-19. The grant will be payable at 75% of lost income (net of the first 5% of the budget and any associated expenditure savings). The first claim for lost land charges income for the April - July period which was submitted at the end of September will partly offset this variance when the grant payment is received.



## 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
RESOR/0100	Resources Department/ Salaries	1,458,930	729,756	723,127	-6,629	Council staffing budgets at original estimate assume an average vacancy saving of 4% across the authority on estimated costs. A number of posts were vacant through the period to September, generating savings of £7k above that estimated.	Recruitment is now progressing on a number of vacant posts. The budget will be updated at revised estimate.

## Policy and Finance 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
CEXEC/2643	Chief Executives Department/ Mileage Allowances	9,550	4,788	2,021	-2,767	Expenditure reimbursing employee mileage expenses is lower than the budget for the period to September. This is due to vacancies within the department and a reduction to mileage incurred as a result of social distancing health and safety rules.
CEXEC/8703z	Chief Executives Department/ Admin Charge non-vatable	-290	0	-4,746	-4,746	Court costs and interest received in respect of an aged sundry debt following sale of a property upon which the council had placed a charge.
CIARA/4676	Storm Ciara Response/ Grants to Individuals	0	0	2,000	2,000	Payments of Storm Ciara community recovery grants falling in 2020/21. This will be funded from grant already set aside for this purpose in earmarked reserves at the end of the 2019/20 financial year
CIVCF/3036	Civic Functions/ Annual Council	3,560	3,560	109	-3,451	This budget is for expenses relating to the annual council meeting which ordinarily takes place in May. The meeting for 2020 was cancelled in order to comply with social distancing measures during the coronavirus pandemic which has resulted in the underspend shown.
CLOFF/2402	Council Offices/ Repair & Maintenance - Buildings	30,290	18,692	21,601	2,909	Responsive repairs and maintenance requirements for the council offices building is higher than the budget estimate for the period. Expenditure fluctuates month to month depending on requirements. The repairs and maintenance budget is managed corporately and funds will be diverted from other areas later on in the financial year if necessary.

Policy and Finance 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
CLOFF/2432	Council Offices/ Electricity	37,280	15,546	11,979	-3,567	Reduced electricity usage for the period to September. This is likely because the lift hasn't been used as much this year as a result of the council offices not being open to the general public earlier in the financial year, and also because of the substantial lift replacement capital scheme works which were undertaken towards the beginning of the financial year, putting the lift out of use. The budget will be reviewed and updated at revised estimate.
COMPR/8898z	Computer Services/ LGA - Cyber Security Grant	0	0	-3,000	-3,000	The council has successfully bid for central government cyber resilience funding. The budget will be updated at revised estimate.
COSDM/3022	Cost of Democracy/ Conference Expenses	3,090	2,743	125	-2,618	This budget is for member conference expenses. It will underspend at original estimate in this financial year due to the cancellation of the 2020 Local Government Association conference.
CSERV/3264	Corporate services/ Ribble Valley News	10,200	5,100	1,497	-3,603	This budget is available for the printing and distribution costs of producing two annual editions of the Ribble Valley News publication. As a result of the coronavirus lockdown and social distancing rules the first edition of the 2020/21 financial year has been delayed. It is now likely that one edition will be finalised this year and there will be an underspend within this budget code that will be accounted for at revised estimate.

Policy and Finance 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
ESTAT/2402	Estates/ Repair & Maintenance - Buildings	5,900	5,400	9,121	3,721	A survey costing £4k has been undertaken on a masonry arch tunnel on council owned land. The survey report has identified that repairs will need to be carried out that will cost in the region of £27.5K. The legality of the organisation (s) responsible for the works is currently being determined between RVBC, the Department of Transport and Historical Railway Estate. Should the council be liable for some of the repairs then it is possible that the cost of the project would result in a capital scheme to which this expenditure would likely be allocated. Otherwise the revenue impact will need to be accounted for within the repairs and maintenance budget which is managed and reviewed at a corporate level.
FMISC/5029	Policy & Finance Miscellaneous/ Credit/Debit Card Fees	22,370	9,323	13,559	4,236	The council has been overcharged for card payment processing services this year following an error by the council's provider. A refund is currently being processed and the budget will continue to be monitored.
LICSE/8438u	Licensing/ Taxi Licences	-44,420	-19,297	-14,563	4,734	The council has received less income from taxi licences this year as a result of the coronavirus pandemic. A claim for lost income for the April-July period has been submitted to central government under the income compensation scheme (please see red variance LANDC/8408n for further details of the scheme).

## Policy and Finance 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
LICSE/8440u	Licensing/ Event Licences	-5,240	-3,153	-567	2,586	Social distancing rules implemented by the government to protect public health during the coronavirus pandemic have reduced demand for event licences for the period to September. A claim for lost income for the April-July period has been submitted to central government under the income compensation scheme (please see red variance LANDC/8408n for further details of the scheme).
RESOR/0109	Resources Department/ Superannuation Salaries	246,600	123,348	121,101	-2,247	Vacancy savings within the department for the period to September have reduced the council's superannuation liability (please see RESOR/0100).
RESOR/2809	Resources Department/ Non-Recurring Purchases of Equipment etc	0	0	2,254	2,254	This expenditure is for the purchase of CIPFA control matrices that serve as a framework for internal audit work on the testing of the council's systems. Funds that were set aside in an earmarked reserve in 2019/20 to meet this expenditure will be accounted for at revised estimate.
RESOR/2998	Resources Department/ Software Maintenance	87,640	65,410	63,376	-2,034	The annual software support and maintenance costs of the contact centre system have reduced following an upgrade to the council's central telephone system that was completed in 2019/2020.