

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 23 a

meeting date: 21 SEPTEMBER 2010
title: REVENUE OUTTURN 2009/10
submitted by: DIRECTOR OF FINANCE
principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the actual position for the revenue budget year ended 31 March 2010 for this Committee.

1.2 Relevance to the Council's ambitions and priorities:

- In accordance with corporate performance and improvement plan objective 2, "to maintain critical financial management and controls," this report provides members with information regarding the revenue outturn for 2009/10.

2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall under-spend on the net cost of services of £1,400,324. Of this £1,389,524 has been added to earmarked reserves to cover future commitments.

Cost Centre	Cost Centre Name	Revised Estimate 2009/10 £	Actual £	Difference £
CEXEC	Chief Executives Department	0	0	0
HRDEV	Human Resources Development	38,880	36,355	-2,525
OMDEV	Organisation & Member Development	0	0	0
CONTC	Contact Centre	155,980	151,559	-4,421
CSERV	Corporate Services	188,070	179,385	-8,685
STRAH	Strategic Housing Section	0	0	0
CORPM	Corporate Management	429,720	425,236	-4,484
EPROC	E Procurement	44,340	44,360	20
GOVTE	E Government	41,550	41,542	-8
CIVST	Civic Suite	0	0	0
CLOFF	Council Offices	0	0	0
LRGOF	Longridge Offices	0	0	0
MOBIL	Mobile Office	0	0	0
EMERG	Community Safety	62,000	61,977	-23
CLTAX	Council Tax	396,730	387,224	-9,506
NNDRC	National Non Domestic Rates	34,540	30,948	-3,592

Cost Centre	Cost Centre Name	Revised Estimate 2009/10 £	Actual £	Difference £
DISTC	District Elections	2,270	6,598	4,328
ELECT	Register of Electors	68,080	70,354	2,274
EUROP	European Elections	11,430	11,664	234
LANCS	Lancashire County Elections	21,260	21,490	230
PARIS	Parish Elections	1,930	1,910	-20
PARLI	Parliamentary Elections	-10,680	-10,658	22
ATTEN	Mayor's Attendant	0	0	0
CIVCF	Civic Functions	57,070	54,870	-2,200
COSDM	Cost of Democracy	450,770	442,994	-7,776
MAYCR	Mayoral Transport	0	0	0
LICSE	Licensing	54,220	43,585	-10,635
LANDC	Land Charges	35,580	27,156	-8,424
FGSUB	Grants and Subscriptions	137,770	170,966	33,196
ESTAT	Estates	27,620	27,457	-163
VARIOUS	Meals on Wheels & Luncheon Clubs	24,410	23,341	-1,069
FMISC	Policy & Finance Miscellaneous	172,550	-978,430	-1,150,980
FLEMG	Fleming Vat Reimbursement	0	-182,005	-182,005
PARGR	Parish Grants	2,900	2,900	0
LONGR	Longridge Grants	99,900	89,900	-10,000
SUPDF	Superannuation Deficiency Payment	122,880	122,288	-592
COMPR	Computers	0	0	0
FSERV	Financial Services	0	0	0
LSERV	Legal Services	0	0	0
REVUE	Revenues and Benefits	0	0	0
CONCS	Concessionary Travel	436,970	403,450	-33,520
NET COST OF SERVICES		3,108,740	1,708,416	-1,400,324
ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES				
FNBAL H230	Election Fund	43,890	39,556	-4,334
FNBAL H237	Single Status Reserve Fund	-750	-4,425	-3,675
FNBAL H255	Concurrent Function Reserve Fund	14,140	15,960	1,820
FNBAL H256	Concessionary Travel – Upper Tier	0	40,026	40,026

Cost Centre	Cost Centre Name	Revised Estimate 2009/10 £	Actual £	Difference £
FNBAL H262	IT Equipment Reserve	-2,700	-1,355	1,345
FNBAL H263	Government Connect Reserve Fund	0	9,028	9,028
FNBAL H266	Civic Regalia Reserve Fund	0	4,500	4,500
FNBAL H325	Vat Shelter Reserve Fund	0	675,420	675,420
FNBAL H236	Performance Reward Grant	0	478,385	478,385
FNBAL H237	Fleming Vat Reserve	0	182,005	182,005
CPBAL H258	Parish Grants Reserve Fund	-2,900	-2,900	0
CPBAL H249	Community Grants Reserve Fund	-1,060	-1,058	2
CPBAL H259	Longridge Grants Reserve Fund	-94,900	-89,900	5,000
CPBAL H322	Risk Management Reserve	-5,820	-5,818	2
NET BALANCES AND RESERVES		-50,100	1,339,424	1,389,524
NET EXPENDITURE		3,058,640	3,047,840	-10,800

2.2 We have extracted the main variations and shown them, with the budget holder's comments, in the table below.

SERVICE	REASONS	£	£
MOVEMENT IN EXPENDITURE – Increased costs			
Human Resource Development			
- Consultants	Professional fees associated with equal pay claims; costs funded from an earmarked reserve below net cost of service.	3,675	
District Elections			
- Election Fees	District Election costs included in European and County Elections identified when preparing claims for reimbursement of costs. Costs to be funded from earmarked reserves	4,329	

SERVICE	REASONS	£	£
Financial Services			
- Purchase Fixtures and Fittings	1/3 share of the cost of purchasing asset management system	4,254	
Legal Services			
- Purchase Fixtures and Fittings	1/3 share of the cost of purchasing asset management system	4,254	
- Legal Fees	Back log of court proceedings being undertaken by section (net of fees recovered)	4,327	
Grants & Subscriptions			
- Grants	Grant to Roefield in respect of abortive costs on Roefield joint scheme (phase 1) this is funded from the capital reserve	39,170	
Policy & Finance Miscellaneous			
- Debt Management Expenses	Additional cost of having all operational assets valued rather than just a sample	7,051	
Fleming VAT Reimbursement			
- Consultants	Cost of employing consultants to submit claims for overpaid VAT that has arisen from the House of Lords decision on the <i>Fleming</i> case. These fees resulted in the receipt of approximately £230,000 in VAT refunds, with a further £30,000 due in 2010/11 as a refund	45,501	
Concessionary Travel			
- Other contract payments	Above inflationary increase in the Now card administration charge	3,299	
MOVEMENT IN EXPENDITURE – Reduced costs			
Human Resource Development			
- Tuition Fees	Funds earmarked to be set aside in a reserve fund to cover the cost of refurbishing mayoral chains	-4,663	
Strategic Housing Section			
- Salaries	Reduced cost from not fully covering posts left vacant as a result of maternity leave	-3,105	
Corporate Services			
- Equipment, postages, promotional activities	No new equipment purchased during the year, postage costs reduced due to winter/spring survey being delayed and below average expenditure on promotional activities	-3,317	

SERVICE	REASONS	£	£
Council Offices			
- Repair and Maintenance	Work such as providing an energy certificates could not completed by 31 March 2010 and less reactive maintenance required.	-3,105	
Council Tax			
- Bailiff Fees/Allpay	Below average bailiff costs in the period September to March. A 3 year average for the period was £2,565 compared to the actual of £451. Also costs on the Allpay service introduced in 2009 in preparation for ending of the mobile office service have been less than anticipated.	-4,208	
Grants & Subscriptions – Policy & Finance			
- Voluntary Grants	In March 2009 this Committee did not allocate all available funds. A balance was left to fund possible applications during the year. No further applications were received.	-3,387	
- Subscriptions	The variation is a combination of lower concurrent function grants being claimed and no payments being made to the 4 th option group for the past 2 years	-3,644	
Policy & Finance Miscellaneous			
- Audit Fees - Grants	No National Fraud Initiative carried out in 2009/10, only carried out every other year. Also, uncertainty of the additional grant work to be carried out when estimates prepared. Budget increased to reflect the work but some of the work was met from the existing estimate	-3,716	
Longridge Grants			
- Grants	Contribution towards new Longridge Football Club pavilion and community rooms outstanding at end of year (paid in August 2010)	-10,000	
Computer Section			
- Hardware, software maintenance and purchase of equipment	Savings identified to help fund the revenue costs of Government Connect service anticipated in 2010/11. Reserve fund established at year-end.	-9,028	

SERVICE	REASONS	£	£
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Financial Services			
- Salaries (incl NI and Superannuation)	The variation is a combination of staff turnover and also a budget provision for the additional cover required whilst staff take their leave entitlement at the end of paid maternity leave, which was not required as staff did not return until new financial year.	-3,553	
Concessionary Travel			
- Bus Passes	The compromise from the pooling contributions was more than previously estimated by LCC.	-42,061	
Other			
	Reduced costs below £3,000	-40,431	
NET MOVEMENT IN EXPENDITURE			-18,358
MOVEMENT IN INCOME – Reduced Income			
Council Tax / NNDR			
- Summonses	Less income received from summonses	3,160	
Recharges to other general fund services			
	Reduced income from recharges as a result of reduction in net costs of support services	47,282	
MOVEMENT IN INCOME – Increased Income			
Council Tax / Non domestic rates			
- Efficiency Information Grant	Additional grant from Department of Communities and Local Government for work involved in putting efficiency information on the Council Tax bills	-3,769	
Land Charges			
- Search Fees	Above 2 year average income received for period December to March. 2 Year average was £20,338 actual £26,982	-6,641	
Licensing			

SERVICE	REASONS	£	£
- Licenses	Additional income mainly from taxi & premises licences. The increase in Taxi licenses is, possibly as a result of individuals seeking alternative employment to supplement income as a result of current economic climate.	-10,306	
Fleming VAT Reimbursement			
- Repayment by Customs & Excise	Reimbursement of VAT that has arisen from the House of Lords decision on the <i>Fleming</i> case. This Council's challenge will also result in a further £30,000 reimbursement in 2010/11. The net reimbursement for 2009/10 has been set aside in an earmarked reserve.	-227,506	
Policy & Finance Miscellaneous			
- Vat Shelter	Income received from Ribble Valley Homes in respect of VAT Shelter, these have been monies set aside in a reserve fund	-675,420	
- Performance Reward Grant	Income received from Lancashire County Council, these monies have been set aside in a reserve fund	-478,385	
Other			
	Increased income	-4,714	
NET MOVEMENT IN INCOME			-1,356,299
NET MOVEMENT IN SUPPORT COSTS			
	Reduced costs within departments		-25,667
NET CHANGE IN COST OF SERVICE			-1,400,324
MOVEMENT IN RESERVE FUNDS			
Election Fund	Additional costs identified	-4,334	
Single Status	Additional professional fees incurred	-3,675	
Concessionary Travel	Provision for administration of scheme moving to upper tier	40,026	
Government Connect	Provision for revenue costs associated with Government connect	9,028	
Civic Regalia	Provision for refurbishing mayoral chains	4,500	
Longridge Grants	Delay in Longridge Football Scheme	5,000	
VAT Shelter	Income received from Ribble Valley Homes	675,420	

SERVICE	REASONS	£	£
Performance Reward Grant	Income from LCC to cover future commitments	478,385	
Fleming Vat Reserve	Additional Income from HM Revenue & Customs as a result of Fleming case	182,005	
Other reserves		3,169	
NET MOVEMENT IN RESERVE FUNDS			1,389,524
OVERALL UNDERSPEND			-10,800

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure for the net cost of services shows an under spend of £1,400,324 for the financial year 2009/10. This has been reduced to £10,800 after accounting for contributions to and from reserve funds.
- 3.2 The net cost of service has been affected by some very large variations which have been added to earmarked reserves
- Fleming VAT Reimbursement of £182K
 - Performance reward grants of £478k
 - Vat Shelter monies from Ribble Valley Homes of £675k
 - Reduced concessionary travel costs of £42k of which £40k has been added to reserves in preparation for the administration of the scheme moving to the upper tier of local government. The £2k represents our contribution towards challenging the reimbursement rates payable to bus operators.
- 3.3 After transfers to and from reserves the overall under spend for this Committee is £11K, which can be summarised by the following variations.
- Increase cost from purchasing Asset Management System of £9k
 - Increased cost from valuing all operational assets of £7k
 - Reduced cost due to delay in grant aid to Longridge Football Club of £10k
 - Increased income from Licensing and Land Charges of £17k
 - Other smaller items of reduced costs totalling £40K

SENIOR ACCOUNTANT

PF30-10/TH/AC
1 September 2010