

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 23b

meeting date: 21 SEPTEMBER 2010  
 title: OVERALL REVENUE OUTTURN 2009/10  
 submitted by: DIRECTOR OF RESOURCES  
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### 1 PURPOSE

1.1 To inform you of the results of our accounts for the year ending 31 March 2010.

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 BACKGROUND

2.1 To report the Council's financial position for 2009/10.

2.2 Our full Statement of Accounts were approved by Accounts and Audit Committee on 29 June 2010. These have been published on our website and are available to download.

2.3 The Council's external auditors, the Audit Commission have also now completed their audit of our accounts, and approval of the final audited Statement of Accounts will take place at Accounts and Audit Committee on 15 September 2010. We are required to publish our audited accounts by the end of September 2010.

### 3 GENERAL FUND PERFORMANCE

3.1 Shown below is the final position for the 2009/10 financial year.

	Original Estimate	Revised Estimate	Actual	Original Estimate compared with Actual	Revised Estimate compared with Actual
Committee	£'000	£'000	£'000	£'000	£'000
Community	3,743	3,813	3,715	28	98
Policy & Finance	3,197	3,109	1,708	1,489	1,401
Planning & Development	515	613	338	177	275
Housing General Fund	656	714	649	7	65
<b>Committee Expenditure</b>	<b>8,111</b>	<b>8,249</b>	<b>6,410</b>	<b>1,701</b>	<b>1,839</b>
Interest Payable	30	30	30	0	0
Parish Precepts	368	368	368	0	0
Interest Received	-125	-15	-15	-110	0
<b>Net Operating Expenditure</b>	<b>8,384</b>	<b>8,632</b>	<b>6,793</b>	<b>1,591</b>	<b>1,839</b>

	Original Estimate	Revised Estimate	Actual	Original Estimate compared with Actual	Revised Estimate compared with Actual
Committee	£'000	£'000	£'000	£'000	£'000
Precept from Collection Fund (including parish precepts)	-3,435	-3,435	-3,435	0	0
Deficit on Collection Fund	9	9	9	0	0
General Government Grants	-792	-786	-795	3	9
Business Rates Redistribution	-3,247	-3,247	-3,247	0	0
<b>Deficit for year</b>	<b>919</b>	<b>1,173</b>	<b>-675</b>	<b>1,594</b>	<b>1,848</b>
Depreciation	-768	-728	-728	-40	0
Minimum Revenue Provision	245	116	116	129	0
Net Transfers to/from earmarked reserves	-150	-149	2,087	-2,237	-2,236
<b>Deficit for year</b>	<b>246</b>	<b>412</b>	<b>800</b>	<b>-554</b>	<b>-388</b>

3.2 You will see we have made a deficit of £800,000 during the year compared with the Revised Estimate of £412,000 and the Original Estimate of £246,000.

3.3 When the Revised Estimates were considered in January we explained the main differences between the Original and Revised Estimates. During the preparation of the revised estimate a number of changes were made to the budget:

Item	£'000
Reduction in General Government Grants Receivable	6
Decrease in interest earned	110
Reduced use of earmarked reserves	1
Net increase in Service Committee costs	49
	<b>166</b>

### **Final Position Compared to the Revised Estimate**

- 3.4 During the 2009/10 financial year there were many variances that occurred when we carried out our budget monitoring. The main variations affecting our final position compared with the revised estimate can be summarised as:

<b>Variation</b>	<b>£'000</b>
Fleming VAT Claim	182
Housing and Planning Delivery	195
Increased income on Building Control and Planning	32
Increased income on Licensing and Land Charges	19
New Burdens Grant - Habitats and Climate Change	24
Performance Reward Grant	478
Retained Housing Subsidy	38
Savings on Clitheroe Castle Museum	13
Savings on Concessionary Travel	34
Savings on Council Tax and NNDR	13
Savings on Economic Development	16
Savings on Grants and Subscriptions (All committees)	23
Savings on Ribble Valley Parks	9
Savings on Ribblesdale Pool	31
Savings on Various Repairs and Maintenance	12
Savings on Waste Transfer Station, Refuse and Recycling	17
Other Service Underspends transferred to Reserves	28
VAT shelter monies received	675
	<b>1,839</b>
Extra General Government Grant Received	9
Extra Transfers to Earmarked Reserves	-2,236
<b>Increase in amount to take from balances</b>	<b>-388</b>

### **General Fund Balances**

- 3.5 It is obviously very important to maintain a healthy level of general fund balances to cover for unforeseen events and also provide a stable level of resources for future planning. However, this has to be balanced against meeting the council's spending priorities and also very importantly setting a low council tax.
- 3.6 We had originally planned to take £246,000 from general fund balances to help finance the 2009/10 spending plans. The final position shows that the council has needed to take £800,000 from general fund balances. However, our general fund balances remain in a healthy position as shown in the table below and will help the council tackle the difficult times that may lie ahead in the coming years,.

	£'000
General Fund Balances: Brought forward at 1 April 2009	2,022
Taken to fund deficit on 2009/10 income and expenditure account	-800
General Fund Balances: Carried forward at 31 March 2010	1,222

- 3.7 Whilst there is an increase in the use of general fund balances, there has been a large increase in the level of net transfers to earmarked reserves, including £400,000 set aside in respect of extra staff pension liabilities following the transfer of housing staff to Ribble Valley Homes on 31 March 2008 and the merging of HRA balances with General Fund balances in 2008/09. A further £200,000 has also been set aside to meet any costs which may arise from the council's current structure review.
- 3.8 Other large transfers to earmarked reserves are also partly due to a number of high value transactions being transferred from service committee actuals to earmarked reserves and include:
- o VAT shelter receipts (£675,000)
  - o Fleming Claim VAT (£182,000)
  - o Performance Reward Grant (£478,000)
  - o Housing and Planning Delivery Grant (£204,000)
  - o Retained Housing Revenue Subsidy (£38,000)
- 3.9 Due to the substantial increase in the level of transfers to earmarked reserves in 2009/10, details of the movements across all of the council's earmarked reserves have been shown at Annex 1, together with a narrative on the purpose of each reserve.

### **Collection Fund**

- 3.10 The Collection Fund has made an in year deficit of £18,000. This is added to the deficit of £228,000 brought forward from 2008/09. The £18,000 in year deficit will have to be recovered from precepting authorities in 2011/12, with the deficit brought forward of £228,000 being recovered in 2010/11. These amounts will be recovered pro-rata to the original precepts from each authority.

## **4 CONCLUSION**

- 4.1 The final outturn of a deficit of £800,000 means that we have taken £800,000 from general fund balances instead of £400,000 which was estimated when we prepared the Revised Estimates. The increased use of general fund balances is largely due to increased transfers to earmarked reserves.
- 4.2 The increase to earmarked reserves better prepares the council for the difficult financial climate ahead and our general fund balances still remain at a healthy level.

FINANCIAL SERVICES MANAGER

PF46-10/LO/AC  
10 September 2010

## Earmarked Reserves – 2009/10

Annex 1

Earmarked Reserve	1 April 2009 £	Receipts in Year £	Payments in Year £	31 March 2010 £	Purpose
Local Recreation Grants Fund	20,384		-6,345	14,039	<i>Used to fund recreation grants</i>
Elections Fund	28,617	44,274	-4,718	68,173	<i>Used to fund borough elections held once every four years</i>
Audit Reserve Fund	12,335			12,335	<i>Used for computer audit</i>
Building Control Fund	107,957		-70,581	37,376	<i>Available to equalise net expenditure over a three year period</i>
Rural Development Reserve	1,631			1,631	<i>Used to fund consultation work on Rural Housing</i>
Single Status	54,630		-7,535	47,095	<i>Set aside to contribute towards future costs arising from single status/job evaluation</i>
Capital	832,733		-90,181	742,552	<i>Used to fund capital programme</i>
Insurance	20,000			20,000	<i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>
Christmas Lights/RV in Bloom	3,560		-2,891	669	<i>Available to fund contributions towards Christmas Lights/Ribble Valley in Bloom</i>
Risk Management	5,818		-5,818	0	<i>Set up to pump prime risk management issues</i>
Community Enhancement	3,939		-1,058	2,881	<i>Used to fund grants to local organisations</i>
New Community Enhancement Schemes	6,809			6,809	<i>Additional reserve for funding grants to local organisations</i>

## Earmarked Reserves – 2009/10

Earmarked Reserve	1 April 2009 £	Receipts in Year £	Payments in Year £	31 March 2010 £	Purpose
Rent Deposit Reserve	7,837			7,837	<i>Set aside for homeless rent deposits</i>
Revenue Contributions Unapplied (RCCO)	23,134			23,134	<i>Used to fund capital expenditure</i>
Longridge Schemes	94,900		-89,900	5,000	<i>Used to fund grants to schemes in Longridge</i>
Parish Schemes	4,629		-2,900	1,729	<i>Used to fund Parish improvement schemes</i>
Local Development Framework	11,583			11,583	<i>To finance Local Development Framework Costs</i>
LALPAC Licensing System	1,866			1,866	<i>To fund costs of LALPAC licensing system</i>
Castle Museum	7,391		-7,391	0	<i>To fund the costs associated with the initial setup of the Clitheroe Castle Museum</i>
Homelessness Unit Adaptations	3,000			3,000	<i>To fund work to make two flats at the homelessness unit self contained</i>
IT Equipment	2,700	1,345	-2,700	1,345	<i>To fund time recording system</i>
Conservation Reserve	6,844		-634	6,210	<i>To fund conservation schemes completed after the financial year end</i>
Civic Regalia	0	4,500		4,500	<i>To fund refurbishment of mayoral chains</i>
Concurrent Functions	0	15,960		15,960	<i>To fund concurrent grant payments payable to parish/town councils</i>
Concessionary Travel	0	40,026		40,026	<i>To fund the transfer of the administration of the scheme to upper tier local authority</i>

### Earmarked Reserves – 2009/10

Earmarked Reserve	1 April 2009 £	Receipts in Year £	Payments in Year £	31 March 2010 £	Purpose
Countryside Management	0	4,566		4,566	<i>To fund tree survey work</i>
Fleming VAT Claim	0	182,005		182,005	<i>VAT recovered from 'Fleming' Claim challenge to HMRC</i>
Government Connect	0	9,028		9,028	<i>To fund revenue costs of Government Connect Service</i>
Health & Safety Maintenance	0	12,299		12,299	<i>To fund H &amp; S repairs and maintenance in respect of such items as Legionella and asbestos abatement</i>
Post LSVT	0	38,150		38,150	<i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>
Market Town Enhancement	0	6,643		6,643	<i>To fund grants under Market Towns Enhancement Scheme</i>
Planning Delivery	0	203,832		203,832	<i>To fund improved delivery of housing and other planning outcomes</i>
Performance Reward Grant	0	478,385		478,385	<i>Performance Reward Grant received and yet to be distributed to successful schemes</i>
Refuse Collection	0	1,800		1,800	<i>To fund agency staff employed in the distribution of collection date calendars</i>
Restructuring Reserve	0	200,000		200,000	<i>To fund any costs resulting from the structure review</i>
VAT Shelter Reserve	0	675,420		675,420	<i>To contribute towards the future financing of the capital programme</i>
<b><i>Movement on General Fund Reserves</i></b>	<b><i>1,262,297</i></b>	<b><i>1,918,233</i></b>	<b><i>-292,652</i></b>	<b><i>2,887,878</i></b>	