

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

Agenda Item No 16

meeting date: 26 JULY 2011  
 title: REVENUE OUTTURN 2010/11  
 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 2011 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 2010/11.

### 2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £1,271,914. After allowing for transfers to and from earmarked reserves this under spend is reduced to £222,108.

Cost Centre	Cost Centre Name	Revised Estimate 2010/11 £	Actual £	Difference £
OMDEV	Organisation & Member Development	0	0	0
HRDEV	Human Resources Development	40,760	29,159	-11,601
COMPR	Computers	0	0	0
FSERV	Financial Services	0	0	0
LSERV	Legal Services	0	0	0
REVUE	Revenues and Benefits	0	0	0
CONTC	Contact Centre	162,610	134,771	-27,839
CIVST	Civic Suite	0	0	0
CLOFF	Council Offices	0	0	0
CORPM	Corporate Management	395,360	386,376	-8,984
STRAH	Strategic Housing Section	0	0	0
CEXEC	Chief Executives Department	0	0	0
CSERV	Corporate Services	203,810	184,867	-18,943
CLTAX	Council Tax	393,370	370,007	-23,363
NNDRC	National Non Domestic Rates	26,580	22,758	-3,822
ATTEN	Mayor's Attendant	0	0	0

Cost Centre	Cost Centre Name	Revised Estimate 2010/11 £	Actual £	Difference £
<b>CIVCF</b>	Civic Functions	60,410	54,280	-6,130
<b>COSDM</b>	Cost of Democracy	414,830	409,185	-5,645
<b>MAYCR</b>	Mayoral Transport	0	0	0
<b>DISTC</b>	District Elections	12,850	21,342	8,492
<b>EUROP</b>	European Elections	30	30	0
<b>LANCS</b>	Lancashire County Elections	10	10	0
<b>PARIS</b>	Parish Elections	1,060	1,050	-10
<b>PARLI</b>	Parliamentary Elections	23,490	24,200	710
<b>ELECT</b>	Register of Electors	72,930	63,515	-9,415
<b>VARIOUS</b>	Meals on Wheels & Luncheon Clubs	25,120	24,181	-939
<b>LANDC</b>	Land Charges	40,920	19	-40,901
<b>LICSE</b>	Licensing	51,500	37,214	-14,286
<b>EMERG</b>	Community Safety	64,360	59,720	-4,640
<b>FMISC</b>	Policy & Finance Miscellaneous	130,380	-525,803	-656,183
<b>FLEMG</b>	Fleming Vat Reimbursement	0	-57,921	-57,921
<b>PERFM</b>	Performance Reward Grant	394,030	80,736	-313,294
<b>SUPDF</b>	Superannuation Deficiency Payment	117,840	117,271	-569
<b>ESTAT</b>	Estates	24,870	15,604	-9,266
<b>CONCS</b>	Concessionary Travel	442,860	374,845	-68,015
<b>FGSUB</b>	Grants and Subscriptions	138,180	138,830	650
<b>LONGR</b>	Longridge Grants	10,000	10,000	0
<b>NET COST OF SERVICES</b>		<b>3,248,160</b>	<b>1,976,246</b>	<b>-1,271,914</b>
<b>ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES</b>				
<b>FNBAL H230</b>	Election Fund	4,290	-4,622	-8,912
<b>FNBAL H237</b>	Single Status Reserve Fund	-1,510	-1,763	-253
<b>FNBAL H255</b>	Concurrent Function Reserve Fund	-15,960	-15,960	0
<b>FNBAL H262</b>	IT Equipment Reserve	-1,340	-1,345	-5
<b>FNBAL H263</b>	Government Connect Reserve Fund	-4,510	-3,789	721
<b>FNBAL H266</b>	Civic Regalia Reserve Fund	-4,500	-4,500	0
<b>FNBAL H325</b>	Vat Shelter Reserve Fund	0	472,122	472,122

Cost Centre	Cost Centre Name	Revised Estimate 2010/11 £	Actual £	Difference £
<b>FNBAL H269</b>	Asset Valuation Reserve	2,000	2,000	0
<b>FNBAL H272</b>	Land Charges Restitution Reserve	0	34,356	34,356
<b>FNBAL H277</b>	Estates Maintenance Reserve	0	2,500	2,500
<b>FNBAL H278</b>	Land Charges Software Reserve	0	9,000	9,000
<b>FNBAL H237</b>	Fleming Vat Reserve	0	57,921	57,921
<b>FNBAL H326</b>	Performance Reward Grant	-394,030	88,326	482,356
<b>CPBAL H259</b>	Longridge Grants Reserve Fund	-5,000	-5,000	0
<b>NET BALANCES AND RESERVES</b>		<b>-420,560</b>	<b>629,246</b>	<b>1,049,806</b>
<b>NET EXPENDITURE</b>		<b>2,827,600</b>	<b>2,605,492</b>	<b>-222,108</b>

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

SERVICE	REASONS	£	£
<b>MOVEMENT IN EXPENDITURE – Increased costs</b>			
<b>Cost of Democracy</b>			
- Freedom of the Borough	On 10 March the council held an event to grant the Duke of Lancaster's Regiment, which includes 40 serving soldiers from the Ribble Valley the Freedom of the Borough. No budget provision was established when estimates prepared due to the uncertainty of when the event could actually take place	7,491	
<b>District Elections</b>			
- Purchase of equipment & materials & postages	Purchase of voting screens and ballot boxes and delivery of poll cards by Royal mail on 25 March in preparation for the forth coming May elections. Expenditure to be funded from Election reserve fund	8,852	
<b>Legal Services</b>			
- Salaries (Including national insurance & superannuation)	Due to the long term sickness of Electoral & Licensing officer an existing member of staff was	3,568	

SERVICE	REASONS	£	£
	seconded into the post in preparation of the May Elections		
<b>MOVEMENT IN EXPENDITURE – Reduced costs</b>			
<b>Mayor’s Attendant</b>			
- Staffing costs	No overtime was claimed by the attendant and only 199 hours of the 300 hrs provided for temporary cover was required during the financial year	-2,411	
<b>Chief Executive</b>			
- Protective clothing	No corporate uniforms being purchased at present due to freeze on non essential equipment	-2,250	
<b>Civic Suite</b>			
- Staffing costs	Delay in replacing Town Hall attendant and an additional provision for temporary cover during October and November not required	-2,970	
<b>Council Tax</b>			
- Purchase of equipment & materials, bailiff fees & warrant fees	Freeze on non essential purchase of equipment, bailiff fees were below a 3 year average and the provision for payment for issuing warrants was not required	-4,829	
<b>Computer Services</b>			
- Salaries (Including national insurance & superannuation)	Vacant Computer Administrator post due to freeze on recruitment	-5,401	
- Car leasing	A termination credit was received from Lex auto leasing due to the early termination of Computer Services Manager’s lease car.	-2,800	
- Purchase of equipment & materials & computer stationery	Freeze on non essential purchase of equipment and below 3 year average spent on computer stationery	-4,704	
- Hardware & software support	The Pay-base system and new hardware were replaced as part of the capital programme and included the first year maintenance. The software contingency item was not used due to freeze on non essential purchases	-14,018	
<b>Concessionary Travel</b>			
- Concessionary fares	Due to the uncertainty of the LCC recharging us based on actual data collected from smart cards rather than historic data and an operator still to agree to the reimbursement	-64,827	

SERVICE	REASONS	£	£
	rate, it was felt prudent to leave the estimate as originally set. The actual cost was less than anticipated resulting in the under spend.		
- Community transport	No costs were incurred in December and January costs were very low.	-3,166	
<b>Contact Centre</b>			
- Temporary staff	Holiday and sickness cover was provided without using additional resources due to freeze on recruitment	-2,330	
<b>Corporate Services</b>			
- Salaries (Including national insurance & superannuation)	Vacant assistant Corporate Policy Officer post due to freeze on recruitment and the Corporate Communication Officer has continued working reduced hours.	-8,638	
- Ribble Valley News & promotional activities	Alternative suppliers were sought in order to reduce costs.	-3,093	
<b>Register of Electors</b>			
- Postages	The postage response service has not been used since June 2010.	-5,639	
- Software maintenance	Part of the maintenance cost of electoral registration software was included in the claim for the reimbursement of running the Parliamentary elections. Also fewer telereg calls system calls received in 2010/11 compared to 2009/10.	-4,971	
<b>Community Safety</b>			
- Purchase of equipment & materials	More partnership working has resulted in savings and freeze on non essential purchases	-4,031	
<b>Policy &amp; Finance Miscellaneous</b>			
- Inspection fees	The Comprehensive Area Assessment – performance assessment ended during the year. Our external auditors charged no inspection fee in 2010/11.	-8,317	
- Audit fees (Including grant work)	A 1.5% rebate on the general scale fee was received from the Audit Commission in January as part of a three-year programme to return expenditure cuts to fee payers. Also the actual audit fee charged for certification of claims and returns was less than the planned fee indicated in the annual audit fee letter for 2010/11	-5,592	

SERVICE	REASONS	£	£
<b>Financial Services</b>			
- Purchase of equipment, maintenance of equipment, printing & stationery, reference books, refreshments, photocopies	Freeze on non-essential; purchase of equipment.	-4,640	
<b>Human Resource Development</b>			
- Corporate training expenses	Development plan for corporate training was placed on hold due to freeze on training	-9,471	
<b>Land Charges</b>			
- Software support	Software currently being used not currently being supported due to sale of Strand Business Systems who previously supported the system. Savings identified from under-spends in 2010/11 are to be set aside in an earmarked reserve to help fund a new system.	-4,800	
<b>Licensing</b>			
- Purchase of equipment & materials & plaques	Freeze on non-essential; purchase of equipment and below 3-yr average purchase of taxi plaques.	-3,120	
<b>Legal Services</b>			
- Training expenses	Freeze on training, savings to be set aside in an earmarked reserve fund to fund the purchase on new Land Charges system	-2,340	
- Purchase of equipment & materials, protective clothing, printing & stationery, postages, statutory notices	Freeze on non essential purchases	-4,308	
<b>Organisation &amp; Member Development</b>			
- Purchase of equipment & materials, protective clothing, printing & stationery, postages,	Freeze on non essential purchases	-4,885	
<b>Performance Reward Grants</b>			
- Grants	Only a few schemes have been completed within the year and a few schemes have been capitalised. Funds for all schemes are being held in a reserve fund and only released once scheme completed.	-313,294	

SERVICE	REASONS	£	£
<b>Revenue &amp; Benefits</b>			
- Salaries (Including national insurance & superannuation)	Vacant recovery assistant and clerical assistant posts due to freeze on recruitment. Also reduced pay due to long-term sickness	-13,315	
<b>Strategic Housing Section</b>			
- Purchase of equipment & materials, training expenses	Freeze on non essential purchases	-2,566	
<b>Council Offices</b>			
- Repair & maintenance of buildings	Freeze on non-essential repairs, part of savings to be set aside as an earmarked reserve fund to future commitments.	-3,106	
<b>Civic Suite</b>			
- Repair & maintenance of buildings	Virement of funds to Community committee to fund work at salthill depot and museum	-3,700	
<b>Other</b>			
	Reduced costs below £2,000	-30,891	
<b>NET MOVEMENT IN EXPENDITURE</b>			-530,512
<b>MOVEMENT IN INCOME – Reduced Income</b>			
<b>Recharges to other general fund services</b>			
	Reduced income from recharges as a result of reduction in net costs of support services	48,330	
<b>MOVEMENT IN INCOME – Increased Income</b>			
<b>Fleming Vat Reimbursement</b>			
- Repayment by customs & Excise	Repayment of VAT and interest from HMRC in respect of sport tuition and coaching paid to HMRC during the period 1978 to 1994, net of fee paid to Price waterhouse Coopers. Added to earmarked reserves.	-57,921	
<b>Contact Centre</b>			
- CRM National project	Additional income received for the development of customer relationship management and outbound calling for CLG projects.	-20,000	
<b>Estates</b>			
- Building rents	Increase in rent of Longridge Youth club.	-4,125	

SERVICE	REASONS	£	£
- Ground rents	Deed of access granted over Council car park	-2,501	
<b>Financial Services</b>			
- Flood grant	Additional grant income (administration element) received from DEFRA for work carried out by staff on flood protection grant work.	-3,230	
<b>Land Charges</b>			
- Section 31 Grant	Grant received in March from Department for Communities and Local Government (DCLG) to cover both potential restitution claims and loss of fees foregone after the revocation of the personal search fee of the land charges register. Funds are to set aside in an earmarked reserve to fund any future claims	-34,356	
<b>Licensing</b>			
- Premises & taxi licenses / sales of plates & brackets	Above average number of premises licences renewed and more taxi licenses issued.	-7,141	
<b>Policy &amp; Finance Miscellaneous</b>			
- Vat Shelter	Income received from Ribble Valley Homes in respect of VAT Shelter, these have been monies set aside in a reserve fund	-472,122	
- Performance Reward Grant	Additional income received from Lancashire County Council, these monies have been set aside in a reserve fund	-169,062	
<b>Other</b>			
	Increased income	-9,122	
<b>NET MOVEMENT IN INCOME</b>			-731,250
<b>NET MOVEMENT IN SUPPORT COSTS</b>			
	Reduced costs within departments		-10,152
<b>NET CHANGE IN COST OF SERVICE</b>			<b>-1,271,914</b>

SERVICE	REASONS	£	£
<b>MOVEMENT IN RESERVE FUNDS</b>			
Election Fund	Additional costs identified	-8,912	
Land Charges Restitution Fun	Provision for potential claims	34,356	
Land charges software	Provision for contribution towards purchase of new system	9,000	
Estates Maintenance	Provision for future commitment	2,500	
VAT Shelter	Income received from Ribble Valley Homes	472,122	
Performance Reward Grant	Delay in schemes and additional income from LCC to cover future commitments	482,356	
Fleming Vat Reserve	Additional Income from HM Revenue & Customs as a result of Fleming case	57,921	
Other reserves		463	
<b>NET MOVEMENT IN RESERVE FUNDS</b>			1,049,806
<b>OVERALL UNDERSPEND</b>			<b>-222,108</b>

### 3 CONCLUSION

3.1 The comparison between actual and budgeted expenditure shows an under spend for the financial year 2010/11 of £1,271,914. After transfer to / from earmarked reserves this is reduced to £222,108.

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 £57K
- Slippage of expenditure on Performance reward grants of £313k and additional grant money received of £169k
- Vat Shelter monies from Ribble Valley Homes of £472k
- Land charges restitution grant of £34k received from DCLG

3.3 After transfers to and from reserves the overall under spend for this Committee is £222K, which can be summarised by the following variations.

- Reduced cost of concessionary travel of £68k
- Reduced staffing costs due to freeze on recruitment of £39k
- Reduced hardware and software support costs in computer section, register of electors and land charges of £24k
- Reduced purchases of equipment and materials and other supplies and service costs of £33k as a result of freeze on non-essential purchases
- Reduced external audit fees of £14K
- Reduced cost on corporate training as a result on freeze on training of £9k

- Additional income received for CLG projects carried out by the contact centre of £20k
- Other reduced costs or additional income of £22k

SENIOR ACCOUNTANT

PF42-11/TH/AC  
7 July 2011