

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

Agenda Item No 14

meeting date: 7 AUGUST 2012  
 title: REVENUE OUTTURN 2011/12  
 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 2012 for this Committee.

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 and meets the objective within this priority, of maintain critical financial management controls, ensuring the authority provides council tax payers with value for money.
- Other Considerations – none identified.

### 2 BACKGROUND

2.1 The Council's draft Statement of Accounts have now been produced and have been approved by Accounts and Audit Committee and are currently subject to audit by the Council's external auditors. Accounts and Audit Committee will approve the final audit version of the statements at the end of August.

2.2 The information contained within the Statements is in a prescriptive format. However the service cost information is being reported to Committees for their own relevant services in our usual reporting format in the current cycle of meetings.

### 3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £713,190. After allowing for transfers to and from earmarked reserves this under spend is reduced to £48,289. Please note that underspends are denoted by figures with a minus symbol.

Cost Centre	Cost Centre Name	Revised Estimate £	Actual £	Difference £
<b>OMDEV</b>	Organisation & Member Development	0	0	0
<b>COMPR</b>	Computers	0	0	0
<b>FSERV</b>	Financial Services	0	0	0
<b>LSERV</b>	Legal Services	0	0	0
<b>REVUE</b>	Revenues and Benefits	0	0	0

Cost Centre	Cost Centre Name	Revised	Actual	Difference
		Estimate £	£	£
<b>CONTC</b>	Contact Centre	169,310	144,389	-24,921
<b>CIVST</b>	Civic Suite	-2,500	0	2,500
<b>CLOFF</b>	Council Offices	-6,000	0	6,000
<b>CORPM</b>	Corporate Management	284,490	281,540	-2,950
<b>CEXEC</b>	Chief Executives Department	0	1,900	1,900
<b>CSERV</b>	Corporate Services	182,730	175,624	-7,106
<b>CLTAX</b>	Council Tax	325,800	305,591	-20,209
<b>NNDRC</b>	National Non Domestic Rates	28,530	25,728	-2,802
<b>ATTEN</b>	Mayor's Attendant	0	0	0
<b>CIVCF</b>	Civic Functions	55,030	51,481	-3,549
<b>COSDM</b>	Cost of Democracy	403,280	391,701	-11,579
<b>MAYCR</b>	Mayoral Transport	0	0	0
<b>DISTC</b>	District Elections	85,570	84,927	-643
<b>BYELE</b>	District By-Election	4,730	5,032	302
<b>EUROP</b>	European Elections	0	0	0
<b>LANCS</b>	Lancashire County Elections	0	0	0
<b>PARIS</b>	Parish Elections	110	110	0
<b>PARLI</b>	Parliamentary Elections	7,440	6,900	-540
<b>ELECT</b>	Register of Electors	69,190	67,564	-1,626
<b>VARIOUS</b>	Meals on Wheels & Luncheon Clubs	20,550	19,249	-1,301
<b>LANDC</b>	Land Charges	37,260	38,497	1,237
<b>LICSE</b>	Licensing	32,480	27,601	-4,879
<b>EMERG</b>	Community Safety	64,290	55,103	-9,187
<b>FMISC</b>	Policy & Finance Miscellaneous	132,930	-317,991	-450,921
<b>PERFM</b>	Performance Reward Grant	197,930	37,303	-160,627
<b>SUPDF</b>	Superannuation Deficiency Payment	118,840	117,355	-1,485
<b>ESTAT</b>	Estates	14,830	1,511	-13,319
<b>CONCS</b>	Concessionary Travel	4,910	4,904	-6
<b>FGSUB</b>	Grants and Subscriptions	151,740	143,229	-8,511
<b>ALBNM</b>	Albion Mill	-1,210	430	1,640
<b>INDDV</b>	Economic Development	67,110	66,502	-608
<b>NET COST OF SERVICES</b>		<b>2,449,370</b>	<b>1,736,180</b>	<b>-713,190</b>

<b>ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES</b>				
<b>FNBAL H230</b>	Election Fund	-43,700	-43,999	-299
<b>FNBAL H261</b>	LALPAC Reserve Fund	0	-442	-442
<b>FNBAL H262</b>	IT Equipment Reserve	9,000	21,310	12,310
<b>FNBAL H263</b>	Government Connect Reserve Fund	-5,240	-5,239	1
<b>FNBAL H269</b>	Asset Valuation Reserve	2,000	2,000	0
<b>FNBAL H276</b>	Promotional Activities Reserve	0	1,950	1,950
<b>FNBAL H277</b>	Estates Maintenance Reserve	-2,500	-2,500	0
<b>FNBAL H279</b>	Emergency Plan Reserve	0	2,520	2,520
<b>FNBAL H325</b>	Vat Shelter Reserve Fund	0	445,230	445,230
<b>FNBAL H326</b>	Performance Reward Grant	-197,930	-37,303	160,627
<b>FNBAL H334</b>	Restructuring Reserve	0	6,887	6,887
<b>FNBAL H335</b>	Invest to Save	0	21,917	21,917
<b>FNBAL H337</b>	Equipment Reserve	0	2,000	2,000
<b>CPBAL H330</b>	Sale of Freeholds to capital reserve	0	12,200	12,200
<b>NET BALANCES AND RESERVES</b>		<b>-238,370</b>	<b>426,531</b>	<b>664,901</b>
<b>NET EXPENDITURE</b>		<b>2,211,000</b>	<b>2,162,711</b>	<b>-48,289</b>

3.2 We have extracted the main variations and shown them, with the budget holder's comments at Annex 1. However a summary of the main variations is given in the table below.

<b>SERVICE AREA</b>	<b>DESCRIPTION OF VARIANCE</b>	<b>AMOUNT £</b>
<b>COMPR</b> Computer services	There has been a programmed reduction in expenditure on such areas as hardware, software and stationery. This has been set aside to meet future commitments for the updating of various licences in future years.	-13,306
<b>CONTC</b> Contact Centre	Only a part year contribution was required by LCC shared services contact centre partnership at the termination of the arrangement.	-21,917
<b>EMERG</b> Community Safety	Reduced expenditure on purchase of equipment and materials due to delay in producing district emergency and business continuity plans. Part of this has been set aside in an earmarked reserve.	-8,498

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
<b>FMISC</b> Policy & Finance Miscellaneous	This relates to income received from Ribble Valley Homes in respect of the VAT shelter arrangement All of these monies have been set aside in an earmarked reserve.	-445,230
<b>PERFM</b> Performance reward grants	Grant schemes that were anticipated to be completed by March 2012 have slipped into 2012/13 (£99K) and part of the expenditure (£61k) has been capitalised as per the grant protocol.	-160,627
<b>VARIOUS</b> Salary costs	There has been a number of areas of reduced staffing costs, partly due to early implementation of approved service review savings, vacant posts and also strike action	-15,123

3.3 As can be seen above, the key variances have been met from, or have been set aside in, the council's earmarked reserves. There are large number of smaller variances as can be seen at Annex 1, many of which are as a result of officers continuing the prudent approach to non-essential expenditure in the year.

3.4 The early implementation of a number of the approved service review savings have had a positive impact on the outturn for the 2011/12 financial year. This has helped ensure the achievement of the full value of these savings in the 2012/13 financial year.

#### 4 CONCLUSION

4.1 The comparison between actual and budgeted expenditure shows an underspend for the financial year 2011/12 of £713,190. After transfer to / from earmarked reserves this is reduced to £48,289.

4.2 A substantial amount of the underspend has been set aside in earmarked reserves, notably the VAT shelter arrangement receipts.

4.3 It is reassuring to see the positive financial results of the early implementation of some of the approved service review savings.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF49-12/TH/AC  
30 July 2012

BACKGROUND PAPERS;  
Policy & Finance closedown working papers

For further information please ask for Trudy Holderness, extension 4436.

## POLICY &amp; FINANCE COMMITTEE – VARIANCES 2011/12

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Organisation and Member Development</b>					
Reduced employee costs due to deduction made for jury service and strike pay and less temporary cover for receptionists	-1,180				
Reduced departmental and corporate training due to freeze on non essential expenditure	-5,999				
Below average mileage claims and delays in claiming mileage and also less rail travel	-1,090				
Reduction in purchase of equipment & materials, maintenance of equipment, printing & stationery, photocopying, reference books, postages mainly due to a freeze on non essential purchases and continued procurement savings plus additional income from printing	-5,695	-847			
Below 2 year average on telephone call charges and little maintenance costs on main telephone system	-1,500				
Reduced support costs mainly from Council offices and Computer services due to reduction in costs in those sections			-2,094		
The decrease in net expenditure is reflected in reduced recharges to other services			18,473		<b>68</b>
<b>Computer Services</b>					
Reduced employee costs due to delay in recruiting to post of web and ICT administrator	-3,115				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Reduction in tuition fees, purchase of equipment and materials, hardware and software maintenance, computer stationery and government connect costs due to freeze on non essential expenditure and providing for updating operating systems on PCs	-13,306				
Reduced accommodation costs and support costs from financial services and organisation & member development due to reduced costs within those sections.			-993		
The decrease in net expenditure is reflected in reduced recharges to other services			18,063		<b>649</b>
<b>Financial Services</b>					
Reduced employee costs due to deductions for strike pay, jury service and leave without pay	-1,024				
Reduction in mileage Refreshments, Printing & Stationery, and postages due to freeze on non essential expenditure	-1,299				
Increase in income due to allocation of DEFRA flood grant to cover staff costs working on project		-1,027			
Reduced accommodation costs and support costs from financial services and organisation & member development due to reduced costs within those sections.			-2,214		
The decrease in net expenditure is reflected in reduced recharges to other services			6,195		<b>631</b>

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Legal Services</b>					
Reduced employee costs due early implementation of approved service review savings.	-3,545				
Reduction in tuition costs, mileage costs, purchase of equipment and materials, protective clothing, reference books, postages and statutory notices due to freeze on non essential expenditure	-5,198				
Below average expenditure in the period October to March on legal fees plus above average costs awarded for the same period	-1,522	-894			
Reduced accommodation costs and support costs from computer services and organisation & member development due to reduced costs within those sections			-4,280		
The decrease in net expenditure is reflected in reduced recharges to other services			15,537		<b>98</b>
<b>Revenue Services</b>					
Reduced employee expenses due early implementation of approved service review savings and also deductions for strike and part time vacant posts in benefits and cashiers sections	-3,749				
Reduction in tuition costs, mileage costs, rail fares and printing & stationery due to freeze on non essential expenditure	-2,318				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Reduction in accommodation costs and support costs from Financial services and organisation & member development due to reduced costs within those sections			-3,014		
The decrease in net expenditure is reflected in reduced recharges to other services			9,412		<b>331</b>
<b>Contact Centre</b>					
Reduced employee costs due to vacant part time customer services advisor post	-1,459				
Only part year contribution to LCC shared services contact centre partnership required.	-21,917				
Reduction in accommodation costs and support costs from Financial services and Computer services due to reduced costs within those sections			-803		<b>-24,179</b>
<b>Civic Suite</b>					
Reduced employee costs mainly due to less temporary cover being required to cover civic suite attendant.	-1,433				
Increase in hire of civic suite		-1,909			<b>-3,342</b>
<b>Council Offices</b>					
Reduced employee related expenses due to vacant posts and less temporary cover	-1,062				
Reduced repair & maintenance costs as only essential repairs being carried out	-2,843				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
The decrease in net expenditure is reflected in reduced recharges to other services			11,578		7,673
<b>Corporate Management</b>					
Reduced support costs mainly from financial services and chief executives due to reduced costs in those sections			-2,950		-2,950
<b>Chief Executive</b>					
Reduced tuition costs, provision for staff adverts, staff medical costs and professional subscriptions	-2,396				
Reduced mileage costs due to no claims being made from some staff and below average claims, offset by an increase in rail fares	-1,824				
Reduced expenditure on protective clothing, reference books, postages, subscriptions, food and security phones	-4,834				
Increase in income due to allocation of DEFRA flood grant to cover staff costs working on project		-1,021			
Additional income mainly from connection to new mobile phone provider. This has been set aside in an earmarked reserve.		-2,377			
Reduced accommodation costs and support costs from computer services and organisation & member development due to reduced costs within those sections			-7,616		

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
The decrease in net expenditure is reflected in reduced recharges to other services			21,278		<b>1,210</b>
<b>Corporate Services</b>					
Reduced costs in producing the Ribble Valley News	-1,257				
Delay in placing order for information boards as higher quality of goods being sought. This has been set aside in an earmarked reserve.	-1,933				
No advertisement income received after the voluntary liquidation of One Stop Media Services Ltd		1,150			
Reduced support costs mainly from organisation and member development and financial services and computer services due to reduced costs within those sections			-4,960		<b>-7,000</b>
<b>Council Tax</b>					
Reduced cost of purchase of equipment, printing & stationery, software maintenance, postages, legal fees and all pay costs offset by additional court costs	-6,005				
Increase in summonses income		-5,730			
Reduction in support costs mainly from revenues service and computer services due to reduced costs within those sections			-7,852		<b>-19,587</b>

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>National Non Domestic Rates</b>					
Reduced discretionary grants, mainly as a result of small business rate relief	-521				
Increase in Section 31 - small business rate relief grant		-996			
Increase in summonses income		-920			<b>-2,437</b>
<b>Civic Functions</b>					
Reduced expenditure on Mayoress at home, refreshments and other civic function expenditure	-2,435				
Reduction in support costs mainly from Mayors attendant			-999		<b>-3,434</b>
<b>Cost of Democracy</b>					
Reduced expenditure on purchase of equipment, car allowances and council meeting expenses due to freeze on non essential expenditure and reduction in mileage rate	-3,970				
Reduction in accommodation costs and support costs mainly from legal services and organisation and member development due to reduced costs in those sections			-7,157		<b>-11,127</b>
<b>Register of Electors</b>					
Reduced expenditure on register of elector fees as no overtime worked after register of elector's forms delivered.	-1,238				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Reduction in support costs mainly from legal services due to reduction in costs in this section.			-760		<b>-1,998</b>
<b>Meal on wheels / Luncheon clubs</b>					
Reduction in cost of meals supplied and transport and equipment costs due to reduced number of recipients, offset by reduced income from sales and lower contribution from LCC	3,471	-2,443			<b>1,028</b>
<b>Land Charges</b>					
Reduced income from searches due to continued problems in the housing market		7,680			
Reduced support costs mainly from legal services due to reduced costs in the section			-5,530		<b>2,150</b>
<b>Licensing</b>					
Reduced support costs mainly from legal services due to reduced costs in the section			-4,140		<b>-4,140</b>
<b>Community Safety</b>					
Reduced expenditure on purchase of equipment and materials due to delay in producing district emergency and business continuity plans and also more partnership working. Part of this has been set aside in an earmarked reserve	-8,498				

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Increase in support costs mainly from chief executives due to reduced costs in the section			-650		<b>-9,148</b>
<b>Policy and finance miscellaneous expenses</b>					
Reduction in the planned grant audit fee	-4,551				
Income received from Ribble Valley Homes in respect of VAT shelter monies This has been set aside in an earmarked reserve fund.		-445,230			
Reduced support costs mainly from Debt Management			-1,151		<b>-450,932</b>
<b>Performance reward grants</b>					
Schemes that were anticipated to be completed by March 2012 have slipped into 2012/13 and part of the 2011/12 expenditure has been capitalised as per Grant protocol. This is offset by movements in the earmarked reserves.	-160,627				<b>-160,627</b>
<b>Superannuation Deficiency Payment</b>					
Reduction in beneficiaries	-1,485				<b>-1,485</b>
<b>Estates</b>					
No legal fees incurred in the year. The estimate was based on a 3-year average.	-1,260				
Increase in income from sales of freehold land. This has been set side in earmarked reserve.		-11,080			<b>-12,340</b>

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Policy and finance grants and subscriptions</b>					
No subscription paid to Community foundation for the last 2 years and also to the Fourth option special interest group and NW regional assembly offset by additional payment to sparse- rural partnership	-5007				
An underspend variance on grants to precepting bodies as no revised ad-hoc grant requests received after estimates prepared	-3,494				<b>-8,501</b>
<b>Albion Mill</b>					
Reduced expenditure on legal fees as no fee is charged until rents reviewed	-1,540				
Reduced income from lease of units due to unit 2 and 3 being vacant from October		3,244			<b>1,704</b>
<b>Other</b>	-17,055	6,433	5,117		<b>-5,505</b>
<b>TOTAL</b>	<b>-305,713</b>	<b>-455,967</b>	<b>48,490</b>	<b>0</b>	<b>-713,190</b>

<b>Variances on Items Added to / (Taken from) Balances and Reserves</b>		<b>£</b>
Computer equipment – additional funds set aside to fund future purchase of software licenses		<b>12,310</b>
Contribution to promotional activities reserve to fund Ribble Valley Food trial information boards		<b>1,950</b>
Emergency Plan reserve - contribution to reserves to fund district emergency plan and district continuity plan		<b>2,520</b>
Vat Shelter - Income received from Ribble Valley Homes in respect of VAT shelter monies set aside in an reserve fund		<b>445,230</b>
Performance reward grants - slippage on completion of schemes and schemes capitalised as per grant protocol.		<b>160,627</b>
Restructuring reserve – reduced staffing costs due to vacant posts and early implementation of approved service review savings		<b>6,887</b>
Invest to save – savings from early implementation of approved services review savings		<b>21,917</b>
Equipment reserve - Contribution to fund replacement corporate mobile handsets		<b>2,000</b>
Revenue contribution towards capital expenditure - mainly from sale of freehold land		<b>12,200</b>
Other		<b>-742</b>
<b>Total</b>		<b>-48,289</b>