

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 15

meeting date: 7 AUGUST 2012
 title: OVERALL REVENUE OUTTURN 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To report the revenue outturn for the year ending 31 March 2012.
- 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.
 - Other considerations – none identified

2 BACKGROUND

- 2.1 Our unaudited Statement of Accounts were approved by Accounts and Audit Committee on 27 June 2012. These have been published on our website and are available to download.
- 2.2 The Council's external auditors, the Audit Commission are currently undertaking their audit of our accounts, and approval of the final audited Statement of Accounts will take place at Accounts and Audit Committee on 22 August 2012. We are required to publish our audited accounts by the end of September 2012.

3 OVERALL PERFORMANCE

- 3.1 Shown below is the final position for the 2011/12 financial year.

Committee	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£'000	£'000	£'000	£'000	£'000
Community Services	3,700	3,427	3,345	-355	-82
Policy & Finance	2,508	2,449	2,342	-166	-107
Planning & Development	613	725	578	-35	-147
Health & Housing	751	632	529	-222	-103
Committee Expenditure	7,572	7,233	6,794	-778	-439
Interest Payable	26	23	23	-3	0
Parish Precepts	372	372	372	0	0
Interest Received	-30	-30	-22	8	8
Net Operating Expenditure	7,940	7,598	7,167	-773	-431

Committee	Original Estimate	Revised Estimate	Actual	Original Estimate Compared to Actual	Revised Estimate Compared to Actual
	£'000	£'000	£'000	£'000	£'000
Precept from Collection Fund (including parish precepts)	-3,519	-3,519	-3,519	0	0
Deficit on Collection Fund	15	15	15	0	0
New Homes Bonus	-60	-62	-62	-2	0
Council Tax Freeze Concession	-79	-79	-79	0	0
Revenue Support Grant	-764	-764	-764	0	0
Business Rates Redistribution	-2,473	-2,473	-2,473	0	0
Deficit/(Surplus) for year	1,060	716	285	-775	-431
Accounting Adjustment for Overpaid Benefits recovered from ongoing benefit	0	0	-74	-74	-74
Depreciation	-799	-768	-763	36	5
Minimum Revenue Provision	140	144	144	4	0
Net Transfer to/from earmarked reserves	-215	-66	240	455	306
Deficit/(Surplus) for year	186	26	-168	-354	-194

3.2 You will see we have made a surplus of £168,000 during the year compared with the Revised Estimate of a deficit of £26,000 and the Original Estimate of a deficit of £186,000.

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
Increase in New Homes Bonus	-2
Decrease in Interest Payable	-3
Decrease in Depreciation	31
Increase in Minimum Revenue Provision	4
Decreased use of earmarked reserves	149
Net decrease in Service Committee costs	-339
Net decrease in amount to take from balances for the year	-160

Final Position Compared to the Revised Estimate

- 3.4 Following the setting of the revised estimate there have been a number of variances that have occurred which have impacted on the final outturn for the Council. The main variances have been around increased income from planning fees and also a continued restraint on spending on equipment and materials.
- 3.5 The main variations affecting our final position compared with the revised estimate can be summarised below.

Variation	£'000
Direct Employee Costs	-45
Pension Strain Costs	43
Indirect Employee Costs	11
Energy Costs	-14
Repairs and Maintenance	-25
Transport Costs	-21
IT Software and Hardware	-14
Equipment and Materials	-59
Consultants	-30
Printing and Stationery, Promotions, Reference Books, Postages	-29
Subscriptions and Conferences	-14
Audit Fees and Legal Fees	-10
Consultants	-30
Benefit Payments	65
Warm Homes Grant payments	-46
General Grant payments	-16
CRM Contribution	-22
Increased Housing Benefit and Council Tax Benefit Subsidy Income	-76
Flood Grant Income (Admin)	-11
Increased Planning and Pre-Planning Fees Income	-62
Decreased Building Regulations Fees Income	12
Increased income from Land Rents (Sale of Freeholds)	-11
Increased 'Other Services' Income	-15
Other Service Underspends transferred to General Fund Balance	-15
	-434
Accounting Adjustment - Benefits	-74
Decreased Interest Received	8
Extra Transfers to Earmarked Reserves	306
Increase in amount to add to balances	-194

- 3.6 It is important to highlight that the savings shown above for 2011/12 are not necessarily sustainable or recurring. The continued restraint by officers on spending is to be commended, particularly in light of the continued uncertainty around the level of central government financial support after this current financial year.
- 3.7 The main of the staffing underspends have been as a direct result of the early implementation of the approved service review recommendations. These have been set aside to fund some other associated costs such as redundancy costs and pension strain costs.

General Fund Balances

- 3.9 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. This however has to be balanced against meeting the council's spending priorities and also very importantly setting a low council tax.
- 3.10 We had originally planned to take £186,000 from general fund balances to help finance the 2011/12 spending plans. However, this was revised later in the year to taking £26,000 from general fund balances. The final position shows that the council has added £168,000 to general fund balances.

	£'000
General Fund Balances: Brought forward at 1 April 2011	1,449
Taken to fund deficit on 2011/12 income and expenditure account	168
General Fund Balances: Carried forward at 31 March 2012	1,617

Earmarked Reserves

- 3.11 Whilst there has been an addition to general fund balances in the year, there has also been a net increase in the level of earmarked reserves
- 3.12 Unlike the general fund balance, the council's Earmarked General fund Reserves have been set aside for a specific purpose. The Council has a variety of earmarked reserves and the specific details of each one can be seen at Annex 1.
- 3.13 The table below provides a high level summary of the movement in the Council's Earmarked General Fund Reserves.

	2011/2012
	£
Opening Earmarked General Fund Reserves	3,505,789
Amounts added to Earmarked General Fund Reserves	1,326,569
Amounts taken from Earmarked General Fund Reserves	-658,959
Closing Earmarked General Fund Reserves	4,173,399

Collection Fund

3.14 The Collection Fund has made an in year surplus of £116,000. This is added to the deficit of £281,000 brought forward from 2010/11. The £116,000 in year deficit will have to be recovered from precepting authorities in 2013/14, with the deficit brought forward of £281,000 being recovered in 2012/13. These amounts will be recovered pro-rata to the original precepts from each authority.

4 CONCLUSION

4.1 The final outturn of a surplus of £168,000 means that we have added £168,000 to the council's general fund balances instead of taking £26,000 which was estimated when we prepared the Revised Estimates.

4.2 With the ongoing uncertainty surrounding funding from the Government the ongoing restraint in service spending has been prudent. Whilst this has resulted in a number of underspends within year, a proportion of this has been earmarked in reserves to meet future spending commitments particularly in areas of planning, housing benefit service changes and information technology.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF48 -12/LO/AC
27 July 2012

BACKGROUND PAPERS:

For further information please ask for Lawson Oddie extension 4541

Earmarked Reserves – 2011/12

General Fund	Balance at 31 March 2010	Transfers In 2010/11	Transfers Out 2010/11	Balance at 31 March 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance at 31 March 2012
	£	£	£	£	£	£	£
Local Recreation Grants Fund <i>Used to fund recreation grants</i>	14,039	2,792		16,831	6,820		23,651
Elections Fund <i>Used to fund borough elections held once every four years</i>	68,173	4,290	-8,912	63,551	19,870	-63,869	19,552
Audit Reserve Fund <i>Used for computer audit</i>	12,335			12,335			12,335
Building Control Fund <i>Available to equalise net expenditure over a three year period</i>	37,376		-90,650	-53,274		-33,036	-86,310
Rural Development Reserve <i>Used to fund consultation work on rural housing</i>	1,631			1,631			1,631
Single Status <i>Set aside to contribute towards future costs arising from single status/job evaluation</i>	47,095		-47,095	0			0
Capital <i>Used to fund the capital programme</i>	742,552	160,000	-847,887	54,665	282,279	-12,848	324,096
Insurance <i>Available to meet any costs following demise of Municipal Mutual Insurance Company</i>	20,000			20,000			20,000
Christmas Lights/RV in Bloom <i>Available to fund contributions towards Christmas Lights and Ribble Valley in Bloom</i>	669	2,747		3,416		-150	3,266
Community Enhancement <i>Used to fund grants to local organisations</i>	2,881			2,881			2,881
New Community Enhancement Schemes <i>Additional reserve for funding grants to local organisations</i>	6,809			6,809			6,809
Rent Deposit Reserve <i>Set aside for homeless rent deposits</i>	7,837			7,837			7,837
Revenue Contributions (RCCO) Unapplied <i>Used to fund capital expenditure</i>	23,134			23,134		-12,529	10,605
Longridge Schemes <i>Used to fund grants to schemes in Longridge</i>	5,000		-5,000	0			0
Parish Schemes <i>Used to fund Parish improvement schemes</i>	1,729			1,729			1,729

Earmarked Reserves – 2011/12

General Fund	Balance at 31 March 2010	Transfers In 2010/11	Transfers Out 2010/11	Balance at 31 March 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance at 31 March 2012
	£	£	£	£	£	£	£
Local Development Framework <i>To finance Local Development Framework costs</i>	11,583			11,583		-7,754	3,829
LALPAC Licensing System <i>To fund costs of LALPAC licensing system</i>	1,866			1,866		-442	1,424
Homelessness Unit Adaptations <i>To fund work to make two flats at the homelessness unit self contained</i>	3,000		-3,000	0			0
IT Equipment <i>To fund future software and hardware upgrades</i>	1,345		-1,345	0	90,540		90,540
Conservation Reserve <i>To fund conservation schemes completed after the financial year end</i>	6,210			6,210			6,210
Civic Regalia <i>To fund refurbishment of mayoral chains</i>	4,500		-4,500	0			0
Concurrent Functions <i>To fund concurrent grant payments payable to parish and town councils</i>	15,960		-15,960	0			0
Concessionary Travel <i>To fund the transfer of the administration of the scheme to upper tier local authorities</i>	40,026			40,026			40,026
Countryside Management <i>To fund tree survey work</i>	4,566		-4,566	0			0
Fleming VAT Claim <i>VAT recovered from 'Fleming' claim challenge to HMRC</i>	182,005	57,921		239,926			239,926
Government Connect <i>To fund revenue costs of Government Connect Service</i>	9,028		-3,789	5,239		-5,239	0
Repairs and Maintenance <i>To fund emergency repairs and maintenance items, including legionella and asbestos abatement</i>	12,299	21,000		33,299			33,299
Post LSVT <i>To fund any costs post LSVT which may arise, such as pension fund liabilities</i>	438,150			438,150			438,150
Market Town Enhancement <i>To fund grants under Market Towns Enhancement Scheme</i>	6,643			6,643			6,643

Earmarked Reserves – 2011/12

General Fund	Balance at 31 March 2010	Transfers In 2010/11	Transfers Out 2010/11	Balance at 31 March 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance at 31 March 2012
	£	£	£	£	£	£	£
<u>Planning Delivery</u> <i>To fund improved delivery of housing and other planning outcomes</i>	203,832	-78,716	7,730	132,846	13,200	-146,046	0
<u>Performance Reward Grant</u> <i>Performance Reward Grant received and yet to be distributed to successful schemes</i>	478,384	169,062	-120,736	526,710		-98,662	428,048
<u>Refuse Collection</u> <i>To fund refuse collection costs of bin replacements</i>	1,800	18,000	-1,800	18,000			18,000
<u>Restructuring Reserve</u> <i>To fund costs resulting from the restructure review</i>	200,000	75,000		275,000	27,900	-75,359	227,541
<u>VAT Shelter Reserve</u> <i>Funds received from the post LSVT VAT Shelter arrangements, partly used to contribute towards the future financing of the capital programme</i>	675,420	472,122	-100,000	1,047,542	445,230	-65,548	1,427,224
<u>Revaluation of Assets Reserve</u> <i>To contribute towards the revaluation of the Council's assets every five years.</i>	0	2,000		2,000	2,000		4,000
<u>Clean Air Reserve</u> <i>To fund clean air survey work</i>	0	4,500		4,500		-379	4,121
<u>Estates Maintenance Reserve</u> <i>To fund approved one-off boundary maintenance work to Estates asset</i>	0	2,500		2,500		-2,500	0
<u>Equipment Reserve</u> <i>To fund essential and urgent equipment requirements</i>	0	31,000		31,000	2,000		33,000
<u>Forest of Bowland Reserve</u> <i>To fund access improvement schemes within the Ribble Valley section of the Forest of Bowland</i>	0	27,146		27,146	7,500		34,646
<u>Invest to Save Fund</u> <i>To fund future invest to save projects</i>	0	250,000		250,000	21,917	-7,619	264,298
<u>Land Charges Reserve</u> <i>To fund any potential restitution claims for personal search fees</i>	0	34,356		34,356			34,356
<u>Land Charges System Reserve</u> <i>To fund planned land charges system purchase</i>	0	9,000		9,000		-9,000	0

Earmarked Reserves – 2011/12

General Fund	Balance at 31 March 2010	Transfers In 2010/11	Transfers Out 2010/11	Balance at 31 March 2011	Transfers In 2011/12	Transfers Out 2011/12	Balance at 31 March 2012
	£	£	£	£	£	£	£
<u>Pendle Hill User Reserve</u> <i>To fund improvement schemes on Pendle Hill</i>	0	17,830		17,830	7,941	-8,000	17,771
<u>Planning Reserve</u> <i>To fund any future potential planning issues</i>	0	100,000		100,000	153,167	-103,167	150,000
<u>Tourism Promotions Reserve</u> <i>To fund planned tourism publicity and promotions</i>	0	6,812		6,812	1,950	-6,812	1,950
<u>Crime Reduction Partnership Reserve</u> <i>To fund cost of crime reduction initiatives</i>	0	16,060		16,060	10,429		26,489
<u>Housing Benefit Reserve</u> <i>To help meet the challenges facing the service in the coming years</i>	0	60,000		60,000	40,000		100,000
<u>Wellbeing and Health Equality</u> <i>To fund expenditure on Wellbeing and Health</i>	0			0	47,428		47,428
<u>Exercise Referral Reserve</u> <i>To fund potential residual staffing costs</i>	0			0	5,310		5,310
<u>Clitheroe Cemetery Reserve</u> <i>To finance any future liabilities from the cemetery extension</i>	0			0	3,640		3,640
<u>New Homes Bonus Reserve</u> <i>To help finance future economic development capital schemes</i>	0			0	2,046		2,046
<u>Core Strategy Reserve</u> <i>To fund the production of the Core Strategy</i>	0			0	87,412		87,412
<u>Emergency Planning Reserve</u> <i>To fund the production of District Emergency and Business Continuity Plans</i>	0			0	2,520		2,520
<u>CCTV Reserve</u> <i>To fund purchase of additional CCTV Equipment</i>	0			0	1,000		1,000
<u>Warm Homes Healthy People Reserve</u> <i>Residual grant received, to be committed to future grant schemes</i>	0			0	44,470		44,470
	3,287,877	1,465,422	-1,247,510	3,505,789	1,326,569	-658,959	4,173,399