

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

DECISION

Agenda Item No 12

meeting date: 15 JANUARY 2013
title: REVISED REVENUE BUDGET 2012/13
submitted by: DIRECTOR OF RESOURCES
principal author: ROBIN BRAMHALL

1 PURPOSE

- 1.1 To agree a revised revenue budget for 2012/13 for consideration at Special Policy and Finance Committee.

2 BACKGROUND

- 2.1 The original estimate for this current financial year was approved in March 2012. As members will be aware, there can be numerous variations to the budget that come to our attention as the year progresses, particularly through the budget monitoring process.
- 2.2 At this time of year we take the opportunity to revise the estimates for the current financial year in order to better assess the level of movement anticipated within our earmarked reserves and balances, and to allow us to better forecast for the coming financial year.
- 2.3 At the time of setting the current year's budget, the Government had announced substantial reductions in the level of funding that it would provide to local authorities from 2011/12 and in to 2012/13, with no indication of what level of funding would be provided in the longer term.
- 2.4 Based on the information known at the time, a full service review was undertaken in 2011 in order to identify areas of potential saving. All of those put forward were considered and approved by Policy and Finance Committee on 22 November 2011.
- 2.5 Following the grant settlement in December 2011, the revised budget forecast estimated the amount of savings needed for 2012/13 as £635,000, which was fully achieved from the service review savings identified.
- 2.6 The budget was prepared for the current financial year after allowing for the service review savings package. The 2012/13 budget included provision for price increases of 2.5%. No allowance was made for pay increases. Where possible budgets were cash limited.

3 RESTATING OF ORIGINAL ESTIMATE

- 3.1 The original estimate that was approved in March 2012, and which is shown in the budget book, does not show the movements that were needed in the budget following the service reviews. One of the main areas of impact for this has been the movement of staffing into the Contact Centre service, from other departmental cost centres.
- 3.2 To allow a better comparison of the budget to the revised estimate within this report, the original budget has now been restated.
- 3.3 Overall the total net budget for the council has not changed, but at a committee level this has the impact of increasing or decreasing the budget levels on a number of service cost centres, which for this committee results in a net decrease in budget.

3.4 The impact of this restatement has been summarised in the table below:

Service Area	Original Estimate £	Restated Original Estimate £
Administration	0	-13,790
Highway Services	124,050	124,050
Environmental Services	1,769,980	1,769,980
Community Safety	78,520	78,520
Tourism and Arts	454,610	454,610
Transportation	-102,530	-102,530
Crime Prevention	106,420	106,420
Depots and Transport	0	300
Sports and Recreation	814,760	814,760
Grants and Subscriptions	76,290	76,290
NET COST OF SERVICES	3,322,100	3,308,610
Transfers to/from earmarked reserves	-26,680	-26,680
NET EXPENDITURE	3,295,420	3,281,930

4 REVISED REVENUE BUDGET 2012/13

4.1 The revised budget is **£34,690** lower than the original estimate. This is decreased to **£2,090** lower than the original estimate after allowing for transfers to and from earmarked reserves. A comparison between the original and revised budgets for each cost centre is shown below:

Cost Centre	Cost Centre Name	Original Estimate 2012/13 £	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Revised Estimate 2012/13 £
COMMD	Community Services Department	-13,790	15,380	-35,530	33,940	0	0
HWAGY	Highways Agency	11,480	0	0	3,470	0	14,950
HWREP	Highways Repairs	3,130	490	0	50	0	3,670
NHWAG	Non-Agency Highways Work	25,200	0	0	850	0	26,050
CULVT	Culverts & Watercourses	20,480	2,010	0	-1,350	0	21,140
DRAIN	Private Drains	11,910	-550	660	-140	0	11,880
RIVBK	Riverbank Protection	3,120	0	0	20	0	3,140
BUSSH	Bus Shelters	18,340	0	0	-1,850	0	16,490
SEATS	Roadside Seats	6,710	270	-270	-1,180	0	5,530
SIGNS	Street Nameplates & Signs	21,430	2,480	350	10,200	0	34,460
RIGHT	Public Rights of Way	2,250	7,050	-7,050	1,200	0	3,450
STCLE	Street Cleansing	317,610	-3,350	330	-10,340	0	304,250
VARIOUS	Public Conveniences	233,950	-30,720	-3,070	4,260	0	204,420
LITTR	Litter Bins	16,850	980	0	-880	0	16,950
RCOLL	Refuse Collection	1,075,870	-20,980	2,960	20,440	-21,250	1,057,040
RECYC	Recycling	76,550	25,790	-380	8,270	0	110,230
TFRST	Waste Transfer Station	77,280	2,580	0	500	0	80,360

Cost Centre	Cost Centre Name	Original Estimate 2012/13 £	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Revised Estimate 2012/13 £
TRREF	Trade Refuse	-28,130	13,570	-8,110	8,000	0	-14,670
CRIME	Crime and Disorder	64,260	-280	0	-670	0	63,310
CRIMP	RV Community Safety Partnership	14,260	-8,470	-3,300	0	0	2,490
LDAAT	Lancashire Drugs and Alcohol Action Team	0	39880	-39880	0	0	0
LNGCH	Longridge Civic Hall	9,180	0	0	0	0	9,180
ARTDV	Art Development	31,620	4,440	-280	-9,150	0	26,630
PLATG	Platform Gallery	130,360	-19,390	6,850	7,400	40	125,260
MCAFE	Museum Café	1,660	1,490	-100	-990	0	2,060
MUSEM	Castle Museum	214,900	370	3,120	-17,780	-4,320	196,290
SOUND	Sound Archives	0	0	2,930	-2930	0	0
TURSM	Tourism	66,890	-13,230	14,440	22,320	0	90,420
VARIOUS	Car Parks	-102,530	-15,480	5,040	590	-240	-112,620
CCTEL	Closed Circuit Television	106,420	-320	-180	1,410	0	107,330
LDEPO	Longridge Depot	0	3,410	-3,710	300	0	0
SDEPO	Salthill Depot	0	2,360	-5,940	3,580	0	0
VARIOUS	Refuse Collection Vehicles	0	-18760	18760	0	0	0
VARIOUS	Grounds Maintenance Vehicles	0	-2910	2910	0	0	0
VARIOUS	Works Administration Vehicles	0	-10150	10,150	0	0	0
VARIOUS	Plant	0	-200	200	0	0	0
TWOWR	Two Way Radio	300	-50	-250	0	0	0
VEHCL	Vehicle Workshop	0	1,120	-650	-470	0	0
WKSAD	Works Administration	0	-33,420	39,550	-4,260	-1,870	0
CARVN	Caravan Site	-7,040	30	150	440	0	-6,420
EDPIC	Edisford Picnic Area	-6,750	-10	470	-1,030	0	-7,320
PKADM	Grounds Maintenance	0	-8,400	21,490	-13,090	0	0
ROEBN	Roefield Barn	1,170	0	0	0	-1,120	50
RVPRK	Ribble Valley Parks	409,150	1,360	-1,210	-10,670	1,110	399,740
RPOOL	Ribblesdale Pool	284,850	9,660	-15,740	-1,110	0	277,660
EALLW	Edisford All Weather Pitch	-8,170	-750	-1,330	-350	0	-10,600
LNGYM	Longridge Gym	7,820	-490	0	0	0	7,330
CYCLS	Cycling	5,590	0	0	130	0	5,720
EXREF	Exercise Referral Scheme	36,530	-8,180	-140	3,590	0	31,800
SPODV	Sports Development	91,610	5,690	-6,650	-1,410	0	89,240
GRSRC	Grants and Subscriptions	28,070	-2,940	0	550	0	25,680
CULTG	Culture Grants	4,810	-1,990	0	1,490	0	4,310
RECUL	Recreation & Culture Grants	34,430	0	0	1,620	0	36,050
SPOGR	Sports Grants	5,870	0	0	1,040	0	6,910
WBHEQ	Well Being and Health Equality	0	0	0	0	0	0
XMASL	Christmas Lights & RV in Bloom	3,110	950	0	20	0	4,080
NET COST OF SERVICES		3,308,610	-59,660	-3,410	56,030	-27,650	3,273,920

Cost Centre	Cost Centre Name	Original Estimate 2012/13 £	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Revised Estimate 2012/13 £
ITEMS ADDED TO/ (TAKEN FROM) BALANCES AND RESERVES							
	LESS Contribution from Community Safety Partnership Reserve	-14,260	0	11,770	0	0	-2,490
	LESS Financed from Xmas Lights Reserve	0	0	-950	0	0	-950
	ADD Contribution from Wellbeing and Health Equality Reserve	-12,420	0	12,420	0	0	0
	ADD Contribution to Exercise Referral Reserve	0	9,360	0	0	0	9,360
	NET EXPENDITURE	3,281,930	-50,300	19,830	56,030	-27,650	3,279,840

4.2 The difference between the revised and original estimate is an estimated decrease in net spending of **£34,690**. The main reasons for this are shown at Annex 1. However, a summary of the **significant variances** is given below:

Description	Variances from original estimate to revised estimate £
Public Conveniences - reduction in charge for cleaning following considerable reduction in the number of overtime hours worked. This is as a result of the introduction of the savings measures approved and is in addition to the £40,000 of savings previously identified in the savings package agreed last year, which is already incorporated in the 2012/13 Original Estimate.	-23,550
Support Services – additional recharges – especially in relation to the Contact Centre, which has been fully recharged in line with CIPFA guidance.	40,780
Increase in payments to contractors for paper collection as the rate per tonne collected was restored to its previous level at the start of the year following a temporary reduction in the previous financial year.	25,750
Children's Trust – additional grant income to fulfil the Borough Council's work on the Children's Trust. At the time of the original estimate it was anticipated that this funding would cease.	-15,000
Depreciation - reduced charges for depreciation, especially in relation to Refuse Collection following the disposal of some vehicles.	-24,970
Refuse Collection - reduced costs due to reduction in fuel consumption, as a result of various changes in operations and the price of derv not being as high as expected	-23,980
Ribblesdale Pool – there has been a greater take up of courses and contracts	-16,440

5 CONCLUSION

- 5.1 The Community Services Committee Budget for the year has been closely monitored and adhered to, and a modest reduction of £34,690 has been forecast for the revised estimate.

6 RISK ASSESSMENT

- 6.1 The approval of this report may have the following implications

- Resources – approval of the revised estimate would see a reduction in net expenditure of £34,690, or £2,090 after allowing for transfers to and from earmarked reserves.
- Technical, Environmental and Legal – none identified
- Political – none identified
- Reputation – sound financial planning safeguards the reputation of the Council
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

7 RECOMMENDED THAT COMMITTEE

- 7.1 Approve the revised budget for 2012/13 and submit this to the Special Policy and Finance Committee subject to any further consideration by the Budget Working Group.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

CM1-13/RB/AC
17 December 2012

For further background information please ask for Robin Bramhall extension 4433.

BACKGROUND PAPERS – None

Community Services Committee – Main Movements between Original and Revised Estimates 2012/13

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Community Services Department					
Employee related insurance - additional premium in the light of past claims experience	2,050				
Car Allowances – lower staff mileage than anticipated done during the year	-2,870				
Net decrease in recharge from support services following reassessment of time spent on different activities			-11,740		
Support Services recharge from Contact Centre – the costs of the Contact Centre have been recharged in line with CIPFA guidance			49,100		
Increase in income from recharges - reflecting additions in expenditure outlined above			-31,380		
Children's Trust- increased grant income to fund the Borough Council's work on the Children's Trust. It was originally thought that this funding would cease.		-15,000			
Total Community Services Department					-9,840
Highways Agency					
Increase in Recharge from Community Services following reassessment of time spent on different activities			3,440		
Total Highways Agency					3,440
Street Nameplates and Signs					
Increase in Recharge from Community Services following reassessment of time spent on different activities.			10,140		
Total Street Nameplates and Signs					10,140
Public Rights of Way					
Additional expenditure on statutory notices for public path diversion orders this will be financed from additional income, which is shown below	4,650				
Expenditure on additional works for public path diversion orders which will be financed from additional income, as shown below	2,400				
Contributions from persons seeking a public path diversion order. This is used to finance expenditure on works, statutory notices and management expenses, as shown above.		-7,050			
Total Public Rights of Way					0
Amenity Cleansing					
Diesel - Reduction in costs as the price of diesel has not been as high as originally anticipated.	-2,400				
Reduction in recharge from Community Services following reassessment of time spent on different activities			-10,930		
Total Amenity Cleansing					-13,330

Community Services Committee – Main Movements between Original and Revised Estimates 2012/13

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Public Conveniences					
Reduction in charge for General Cleaning following reduction in staff hours, delays in recruitment of seasonal employees, closure of some conveniences and considerable reduction in the number of hours of overtime worked	-23,550				
Reduction in recharge from Community Services following reassessment of time spent on different activities			-3,420		
Additional income from Clitheroe Town Council towards the costs of cleaning and maintaining conveniences in Clitheroe		-3,000			
Total Public Conveniences					-29,970
Refuse Collection					
Drivers and loaders wages – lower costs due to vacancies and allocation of some costs to Transfer Station to cover staff sickness absence there	-9,470				
Use of transport - reduced costs due to reduction in fuel consumption following the introduction of various operational changes, and the price of diesel not being as high as expected	-23,980				
Light tools and equipment – increased expenditure as the demand for bins is higher but this is more than offset by the sale of these bins as shown below	3,890				
Increase in recharge from Community Services following a reassessment of time spent on different activities			19,710		
Reduction in Depreciation charges, following the disposal of some vehicles following the slippage of a capital scheme for the purchase of a vehicles form 2011/12 into 2012/13. This charge will now not be effective until the 2013/14 financial year				-21,250	
Sale of equipment and materials – additional income, particularly from the sale of bins which offsets the additional expenditure outlined above		-6,080			
Reduced Recycling Credits as it is no longer possible to attract credits for the recycling of leaves removed from highways and footpaths.		9,570			
Total Refuse Collection					-27,610
Recycling					
Promotional Activities – Reduced expenditure, in order to allow the cost of consultants to be met	-3,650				
Consultants – cost of obtaining legal advice on recycling matters	3,650				
Increase in payments to contractors for paper collection as the rate per tonne collected was restored to its previous level at the start of the year	25,750				
Increase in recharges from Financial Services and Legal Services Departments following a reassessment of different activities within those Departments			6,990		
Total Recycling					32,740

Community Services Committee – Main Movements between Original and Revised Estimates 2012/13

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Transfer Station					
Additional Employee costs following absence of member of staff and the need for cover	3,370				
Total Transfer Station					3,370
Trade Refuse					
Additional tipping charges as the number of trade bins and hence the weight collected has risen	9,280				
Additional cost of equipment and sacks, as more bins required this year	3,390				
Increase in Recharge from Financial Services and Legal Services Departments following reassessment of time spent within those Departments on different activities			7,630		
Additional income as the number of trade bins collected has increased during the year. This is partly offset though as the number of sacks sold has decreased		-7,990			
Total Trade Refuse					12,310
Community Safety Partnership					
Promotional Activities – reduced expenditure as not all resources available currently need to be committed, underspend here will be set aside in an earmarked reserve to be used to support spending in the 2013/14 financial year	-8,470				
Local Strategic Partnership - increase in precept level and additional grant from Police		-3,300			
Total Community Safety Partnership					-11,770
Lancashire Drugs and Alcohol Action Team					
Sundry Purchases and Promotions – expenditure has been incurred in relation to the grant funding that has been brought forward from 2011/12. A budget has now been brought in for this.	39,880				
Contribution from Drugs and Alcohol Action Team – this funding was received late in 2011/12 but it was not possible to spend it by 31 March 2012 so it was carried forward to 2012/13. No budget was originally allowed for this.		-39,880			
Total Lancashire Drugs and Alcohol Action Team					0
Art Development					
Increase in allocation of employee costs following restructuring and reassessment of time spent on different activities – but see savings below on Platform Gallery & Visitor Information Centre	4,500				
Decrease in Recharge from Community Services following reassessment of time spent on			-9,320		

Community Services Committee – Main Movements between Original and Revised Estimates 2012/13

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
different activities					
Total Art Development					-4,820
<i>Platform Gallery and Visitor Information Centre</i>					
Reduced employee costs particularly in relation to temporary staff following the implementation of the new joint gallery and information centre. Savings are largely on casual staffing	-13,390				
Increase in Recharge from Community Services following reassessment of time spent on different activities.			9,980		
Reduction in commission income from sales – particularly as the Gallery was closed for several weeks at the start of the year as part of the redevelopment as a joint gallery and information centre		4,180			
Total Platform Gallery					770
<i>Clitheroe Castle Museum</i>					
Decrease in Recharge from Community Services and Organisation and Member Development Services following a reassessment of time spent on different activities within those Departments			-17,230		
Reduction in charge for depreciation as the asset this relates to has now been reclassified as a heritage asset, which does not attract a depreciation charge				-3,720	
Reduced charge to the Sound Archives and the Café, reflecting the reduced costs outlined above. This charge is based on a share of the operational costs of the site.		3,850			
Total Castle Museum					-17,100
<i>Sound Archives</i>					
Reduction in recharge from Castle Museum as a result of reduced operational costs at the museum site.			-2,930		
Reduced charge as a consequence of the lower costs. This charge is grant funded by the Council		2,930			
Total Sound Archives					0
<i>Tourism</i>					
Increase in Recharge from Community Services following reassessment of time spent on different activities			22,060		
Total Tourism					22,060
<i>Salthill Depot</i>					
Net Increase in Recharges from several Departments following reassessment of time spent on different activities.			3,580		
Increase in recharge to service users to reflect increased operational costs of the site			-5,940		

Community Services Committee – Main Movements between Original and Revised Estimates 2012/13

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Total Salthill Depot					-2,360

Community Services Committee – Main Movements between Original and Revised Estimates 2012/13

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Car Parks					
Following successful appeals against rateable values at a number of car park sites, the overall business rates charged has reduced greatly.	-10,330				
Car Park charges – reduced income following fall in usage, particularly as a result of the poor weather in the Spring and Summer		8,570			
Total Car Parks					-1,760
Longridge Depot					
Increase in repairs to Buildings – part reroofing of Depot – met by virement from savings elsewhere	3,500				
Total Longridge Depot					3,500
Works Administration					
Further reduced employee costs due to staff vacancy and lower hours of working. This is following the public conveniences service provision changes which were part of the approved savings for 2012/13	-22,800				
Overtime – considerable reduction in hours worked, again as part of the public conveniences service provision changes	-9,600				
Transport costs - reduced costs following transfer of vehicle to Car Parks	-2,270				
Decrease in Recharge from Financial Services following a reassessment of time spent on different activities.			-2,430		
Reduction in recharge of overtime, as much less overtime to be worked.		22,730			
Recharge in respect of capital works. There has been an increase in time charged to the capital programme largely in relation to the reception and gallery capital schemes		-5,830			
Reduced general recharge for works to reflect overall reduced costs		22,410			
Total Works Administration					2,210
Grounds Maintenance					
Reduced employee costs due to staff vacancies within the year	-9,880				
Employee related insurance - additional premium in the light of recent claims experience	2,180				
Increased recharge from Longridge Depot following an increase in repairs costs			5,740		
Decrease in Recharge from Community Services following a reassessment of time spent on different activities			-14,220		
Decrease in Recharges to Users to reflect reduced expenditure			21,490		
Total Grounds Maintenance					5,310

Community Services Committee – Main Movements between Original and Revised Estimates 2012/13

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Ribble Valley Parks					
Increased expenditure on emergency tree works	5,000				
Reduction in provision for gas expenditure following the experience of the first 12 months of operation at Edisford Changing Rooms	-2,910				
Decrease in recharge from Legal Services and Grounds Maintenance following reassessment of time spent on different activities, and as a result of savings made during the year			-9,540		
Total Ribble Valley Parks					-7,450
Ribblesdale Pool					
Income from School swimming lessons – likely to be lower following withdrawal of some schools, and other schools reducing the number of lessons.		5,660			
Income from Courses – greater take up of courses, particularly in relation to parent/toddler classes		-7,780			
Income from Contracts – greater take up of contracts than in previous years- possible “Olympic effect”		-8,900			
Income from children’s admission charges- higher attendances than in previous years		-5,420			
Total Ribblesdale Pool					-16,440
Exercise Referral					
Reduced employee costs due to staff vacancies and reduction in hours worked	-9,360				
Increase in recharge from Community Services following reassessment of time spent on different activities		6,500			
Total Exercise Referral					-2,860
Sports Development					
Additional expenditure on purchase of equipment, printing and stationery and promotions which will be met from the additional grant shown below	6,570				
Additional grant from Lancashire County Council – production of a Ribble Valley Cycle Map		-3,500			
Additional grant from Schools Sports Partnership – walking and cycling initiatives		-3,000			
Total Sports Development					70
Annual Grants and Subscriptions					
Reduced grant to Sound Archives as a result of the lower level of charge from the Museum site. This is as a result of lower operational costs at the museum.	-2,930				
Total Annual Grants and Subscriptions					-2,930
SUB –TOTAL	-37,800	-22,340	27,870	-17,340	-49,610

Community Services Committee – Main Movements between Original and Revised Estimates 2012/13

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
Reserve Funds					
Wellbeing and Health Equality – contribution for the year not needed as intended expenditure financed from elsewhere		12,420			12,420
Exercise Referral Reserve – Staff savings for the year to be set aside to fund 2013/14 expenditure	9,360				9,360
Christmas Lights and Ribble Valley in Bloom		-950			-950
Community Safety Partnership – savings for the year set aside to aid 2013/14 expenditure		11,770			11,770
Total Reserve Funds	9,360	23,240	0	0	32,600
TOTAL	-28,440	900	27,870	-17,340	-17,010