

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 16a

meeting date: 9 SEPTEMBER 2014
 title: REVENUE OUTTURN 2013/14
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the actual position for the revenue budget year ended 31 March 2014 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 needs'* and within this priority meets the objective *'to 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 Statement of Accounts have now been audited and approved by Accounts and Audit Committee on 27 August 2014.

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 £31,685. After allowing for transfers to and from earmarked reserves this is increased to an £39,734 underspend. Please note that underspends are denoted by figures with a minus symbol. Cost centres marked ** are fully recharged to other cost centres.

Cost Centre	Cost Centre Name	Revised Estimate £	Actual £	Difference £
OMDEV	Organisation & Member Development **	0	0	0
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**	0	0	0

Cost Centre	Cost Centre Name	Revised Estimate £	Actual £	Difference £
CIVST	Civic Suite **	0	0	0
CLOFF	Council Offices **	0	0	0
CORPM	Corporate Management	348,410	344,892	-3,518
CEXEC	Chief Executives Department **	-8,390	0	8,390
CSERV	Corporate Services	177,970	165,120	-12,850
CLTAX	Council Tax	318,160	311,379	-6,781
NNDRC	National Non Domestic Rates	38,660	14,219	-24,441
ATTEN	Mayor's Attendant **	0	0	0
CIVCF	Civic Functions	58,350	53,166	-5,184
COSDM	Cost of Democracy	423,190	411,051	-12,139
MAYCR	Mayoral Transport **	0	0	0
ELADM	Election Administration	31,420	30,080	-1,340
BYELE	District By- Elections	3,140	3,083	-57
DISTC	District Elections	1,550	1,551	1
ELECT	Register of Electors	69,470	53,824	-15,646
VARIOUS	Meals on Wheels & Luncheon Clubs	15,310	14,300	-1,010
LANDC	Land Charges	33,790	58,764	24,974
LICSE	Licensing	5,450	-1,623	-7,073
EMERG	Community Safety	60,170	56,491	-3,679
FMISC	Policy & Finance Miscellaneous	-169,180	-119,612	49,568
PERFM	Performance Reward Grant	21,600	21,600	0
SUPDF	Superannuation Deficiency Payment	123,760	119,674	-4,086
ESTAT	Estates	13,590	10,422	-3,168
FGSUB	Grants and Subscriptions	153,680	142,499	-11,181
ALBNM	Albion Mill	-3,680	-3,853	-173
INDDV	Economic Development	79,500	77,208	-2,292
NET COST OF SERVICES		1,795,920	1,764,235	-31,685

ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES				
FNBAL H230	Election Fund	16,190	16,246	56
FNBAL H262	IT Equipment Reserve	0	21,510	21,510
FNBAL H263	Human Resource Development	0	27,500	27,500
FNBAL H269	Asset Valuation Reserve	2,000	2,000	0
FNBAL H272	Land Charges Restitution Reserve	-1,010	-23,356	-22,346

ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES				
FNBAL H276	Promotional Activities Reserve	0	12,110	12,110
FNBAL H279	Emergency Plan Reserve	-1,270	-1,270	0
FNBAL H323	Voluntary Organisation Grant Reserve	-3,720	-3,720	0
FNBAL H325	Vat Shelter Reserve Fund	289,000	223,387	-65,613
FNBAL H326	Performance Reward Grant	-21,600	-21,600	0
FNBAL H337	Equipment Reserve	-240	688	928
FNBAL H354	Right to Bid / Challenge Reserve	16,400	16,402	2
FNBAL H362	Individual Electoral Registration	0	15,600	15,600
PLBAL H267	Market Town Enhancement Reserve	0	1,729	1,729
CPBAL H330	Capital Reserve	5,660	6,135	475
NET BALANCES AND RESERVES		301,410	293,361	-8,049
NET EXPENDITURE		2,097,330	2,057,596	-39,734

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.

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
OMDEV Organisation & Member Development	Reduced expenditure on departmental and corporate training mainly due to delays in identifying training needs coming through from performance appraisals to allow for a corporate assessment of training needs. Part of the underspends to be set aside in an earmarked reserve to allow for future corporate training plans to be implemented	-11,665
COMPR Computer Services	Increase in expenditure on non-recurring purchase of equipment and materials particularly due to the replacement of PC's throughout the offices, which has been funded from an earmarked reserve.	16,296
COMPR Computer Services	Reduced expenditure on purchase of equipment, consumables, software and hardware maintenance and secure government connection costs due to provisions for contingency items not being required, and consumables being charged direct to services due to a move away from individual desktop printers.	-12,606
LSERV Legal Services	The expenditure on the purchase of reference books has changed to a mainly online service resulting in the underspends	-10,636

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
CEXEC Chief Executives	Reduced employee costs due to vacant posts within Environmental Health and Housing sections.	-16,150
NNDRC National Non Domestic Rates	Following the changes surrounding business rate retention this cost falls within the allocation shares to all tiers. Therefore this specific budget is no longer required.	-24,960
ELECT Register of Electors	A provision was allowed in the revised estimate for temporary staff and additional canvass fees in preparation for establishing an individual electoral registration scheme. Very little expenditure has actually taken place as preparations are only in the early stages	-10,231
LANDC Land Charges	Expenditure on legal fees has exceeded the budget provision due to a settlement of claims for refunds of personal property search fees previously imposed by statute. Part of this expenditure is to be met from an earmarked reserve fund previously established from a grant that was received from the government towards the cost of these claims	42,837
LANDC Land Charges	The estimate for search fee income was based on a 3 year average of the various elements of the search fee. This was exceeded, mainly due to additional 73 part I and 207 part II enquiries	-11,371
FMISC Policy & Finance Miscellaneous	Reduced income received from Ribble Valley Homes in respect of VAT shelter monies	65,613

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 is a large number of smaller variances as can be seen at Annex 1.

4 CONCLUSION

4.1 The comparison between actual and budgeted expenditure shows an underspend for the financial year 2013/14 of £31,685. After transfer to/from earmarked reserves this is increased to £39,734.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF41-14/TH/AC
11 July 2014

BACKGROUND PAPERS;
Policy & Finance closedown working papers

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

POLICY & FINANCE COMMITTEE – VARIANCES 2013/14

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<u>OMDEV: Organisation and Member Development</u>					
Reduced expenditure on departmental and corporate training mainly due to delays in identifying training needs coming through from performance appraisals to allow for a corporate assessment of training needs. Part of the underspends to be set aside in an earmarked reserve to allow for future corporate training plans to be implemented	-11,665				
Reduction in expenditure on printing & stationery and photocopying mainly from continued procurement savings and replacement to more economical printers and photocopiers	-5,103				
Below average telephone call charges on the main telephone system contract	-1,627				
The decrease in net expenditure is reflected in reduced recharges to other services			20,427		
Total Organisation and Member Development					2,032
<u>COMPR: Computer Services</u>					
Reduced employee costs due to vacant posts	-7,861				
Reduced training costs as no staff currently undertaking professional training	-1,237				
Increase in expenditure on non-recurring purchase of equipment and materials particularly due to the replacement of PC's throughout the offices, which has been funded from an earmarked reserve.	16,296				

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Reduced expenditure on purchase of equipment, consumables, software and hardware maintenance and secure government connection costs due to provisions for contingency items not being required, and consumables being charged direct to services due to a move away from individual desktop printers.	-12,606				
Reduce support costs mainly from financial services and organisation & member development sections due to reduced costs within the services			-727		
The decrease in net expenditure is reflected in reduced recharges to other services			6,040		
Total Computer Services					-95
<u>FSERV: Financial Services</u>					
Reduced expenditure on purchase of equipment and materials due to a move away from individual desktop printers to shared multifunctional devices for printing, photocopying, scanning and faxing.	-3,173				
Reduction in support service costs mainly from organisation and member development services due to reduced costs within the service.			-1,713		
The decrease in net expenditure is reflected in reduced recharges to other services			7,390		
Total Financial Services					2,504
<u>LSERV: Legal Services</u>					
Reduced expenditure on training expenses as there are no staff currently undertaking professional training	-1,752				
Lower mileage claims for licensing enforcement compared to previous years	-1,082				

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
The expenditure on the purchase of reference books has changed to a mainly online service resulting in the underspends	-10,636				
Expenditure on statutory notices was less due to procurement savings	-1,088				
The revised estimate for legal expenses and fees were based on actual expenditure to September plus an estimate based on a 3 year average for the remaining period of the financial year. The actual expenditure for this period was below this 3 year average whereas income was above.	-1,565	-1,824			
Reduction in support costs mainly from computer services due to reduced costs within the service			-3,145		
The decrease in net expenditure is reflected in reduced recharges to other services			23,709		
Total Legal Services					2,617
<u>REVUE: Revenue Services</u>					
Reduced expenditure on training expenditure as no staff are currently undertaking professional qualification training	-1,918				
Below average car allowance claims within council tax section and only local train journeys taken.	-1,148				
Reduced support costs mainly from organisation & member development section and contact centre due to reduced costs within these sections			-2,773		

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
The decrease in net expenditure is reflected in reduced recharges to other services			7,335		
Total Revenue Services					1,496
<u>CONTC: Contact Centre</u>					
Reduced employee costs as no temporary cover and no training was required during the financial year	-922				
Staff uniforms not being replaced until August 2014	-1,690				
The decrease in net expenditure is reflected in reduced recharges to other services			3,445		
Total Contact Centre					833
<u>CIVST: Civic Suite</u>					
Reduced employee costs as no overtime was worked by the Town Hall keeper and due to below average hours for temporary cover	-716				
Below average electricity, gas and metered water usage and less expenditure on cleaning materials and repairs than anticipated	-1,212				
Reduced expenditure on the purchase of equipment, refreshments, protective clothing, laundry, printing & stationery and incidental expenses due to only essential items being purchased.	-1,437				
Lower levels of hire income in year		1,433			
The decrease in net expenditure is reflected in reduced recharges to other services			2,083		
Total Civic Suite					151

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<u>CLOFF: Council Offices</u>					
Reduced employee costs due to vacant cleaning posts and less temporary cover used to cover vacant posts/ sickness	-3,984				
Below average gas and metered water usage offset by increase in electricity.	-582				
Reduction in recharges to other services is due to reduced costs within the service			4,749		
Total Council Offices					183
<u>CORPM: Corporate Management</u>					
Reduced support costs mainly from financial services, chief executives and contact centre due to reduced costs in those sections			-3,518		
Total Corporate Management					-3,518
<u>CEXEC: Chief Executive</u>					
Reduced employee costs due to vacant posts within Environmental Health and Housing sections.	-16,150				
Reduced expenditure on training costs as there were no staff currently undertaking professional qualifications	-4,932				
Reduced transport costs mainly as a result of staff vacancies	-2,597				
Reduced expenditure on purchase of equipment, protective clothing, printing & stationery, reference books, postages, subscriptions, conference expenses, food and security phones due to staff vacancies and ongoing work on core strategy	-5,675				

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Reduction in support costs mainly from financial, legal and computer services due to reduction in the net expenditure within these sections			-4,779		
The decrease in net expenditure is reflected in reduced recharges to other services			42,906		
Total Chief Executive					8,773
<u>CSERV: Corporate Services</u>					
Delay in producing the spring edition of the Ribble Valley News has resulted in an underspend on the budget provision. This has been set aside in an earmarked reserve to fund the delayed expenditure.	-5,078				
Reduced expenditure on promotional expenditure to provide funds for world war one commemorations. This has been set aside in an earmarked reserve.	-4,027				
Reduced support costs mainly from organisation and member development due to reduced costs within the section			-3,606		
Total Corporate Services					-12,711
<u>CLTAX: Council Tax</u>					
Reduced expenditure on purchase of equipment, photocopying, reference books, subscriptions, bailiff costs and bank charges due only essential items being purchased / requisitioned.	-4,465				
Less income from summonses than anticipated when revised estimates prepared.		1,410			
Reduction in support costs mainly from revenues service due to reduced costs within the sections			-3,585		
Total Council Tax					-6,640

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<u>NNDRC: National Non Domestic Rates</u>					
External solicitors fees incurred in court case	2,000				
Discretionary Relief now offset within overall share and business rates retention	-24,690				
Reduced support costs mainly from revenue services due to reduced costs within the section			-1,170		
Total National Non Domestic Rates					-23,860
<u>ATTEN: Mayors Attendant</u>					
Reduced employee expenses as there was no overtime claimed by the Mayors attendant during the financial year and lower level of temporary cover required	-1,277				
Reduced income from recharges to civic suite and civic functions due to reduced cost of service			1,263		
Total Mayor's Attendant					-14
<u>MAYCR: Mayoral Car</u>					
Reduced transport costs mainly from the lease of a new vehicle	-2,539				
Reduced income from recharges to civic functions due to reduced cost of service			2,550		
Total Mayoral Car					11
<u>CIVCF: Civic Functions</u>					
Reduction in cost for use of mayoral car due to reduction in overall cost of the vehicle running costs.	-2,550				
Additional costs incurred as a result of a compliance review carried out by HMRC on civic allowances	3,349				

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Reduced expenditure on Mayoress at home, refreshments and other civic function expenditure due to reduced expenditure on civic entertainment.	-4,414				
Reduction in support costs mainly from Mayors attendant and legal services due to reduced costs within these services			-1,571		
Total Civic Functions					-5,186
<u>COSDM: Cost of Democracy</u>					
Reduced expenditure on purchase of equipment, member's car allowances, travel expenses and other council meeting expenses.	-5,210				
Reduction in support costs mainly from financial and legal services due to reduced costs in those services			-6,559		
Total Cost of Democracy					-11,769
<u>ELADM: Election Administration</u>					
Reduced support costs mainly from legal services due to reduced costs in the section			-1,340		
Total Election Administration					-1,340
<u>ELECT: Register of Electors</u>					
Provision allowed in revised estimate for temporary staff and additional canvass fees in preparation for establishing an individual electoral registration scheme, very little expenditure has actually taken place as preparations are only in their early stages	-10,231				
Increased cost of printing and postages as 1st stage of move to Individual Electoral Registration is implemented	1,828				

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Reduced expenditure on software maintenance costs, as part of cost has been recovered from Lancashire Elections	-4,193				
Additional grant received from ministry of justice to assist with the preparation for the move to individual electoral registration		-1,701			
Reduction in support costs mainly from legal services due to reduction in costs in this section.			-1,350		
Total Register of Electors					-15,647
<u>VARIOUS: Meal on Wheels and Luncheon clubs</u>					
Reduction in number of meals purchased	-1,404				
Total Meals on Wheels and Luncheon Clubs					-1,404
<u>LANDC: Land Charges</u>					
The first 3 years software maintenance cost of the land charges system was included in its capital cost. The provision for its annual fee is not required until April 2014 resulting in an underspend	-1,507				
Expenditure on legal fees has exceeded the budget provision due to a settlement of claims for refunds of personal property search fees previously imposed by statute. Part of this expenditure is to be met from an earmarked reserve previously established from a grant from the government that was received towards the cost of these claims	42,837				
The estimate for search fee income was based on a 3 year average of numbers of the various element of the search fee. These numbers were exceeded mainly from an additional 73 part I and 207 part II enquiries		-11,371			

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Reduced support costs mainly from legal and community services due to reduced costs in these sections			-5,750		
Total Land Charges					24,209
<u>LICSE: Licensing</u>					
New equipment and expenditure on court cost not required. Purchase of plaques less than previous years	-1,365				
Reduced support costs mainly from legal services and chief executives due to reduced costs in these sections			-6,200		
Total Licensing					-7,565
<u>EMERG: Community Safety</u>					
Additional provision made in revised estimate for slippage on expenditure from 2012/13 for producing business continuity plan. The expenditure on which was met from the original estimate provision.	-1,924				
Total Community Safety					-1,924
<u>FMISC: Policy and Finance Miscellaneous Expenses</u>					
The budget provision for bank charges was based on actual cost to August plus an estimate based on a two year average for the remainder of the year. The actual for this period (September to March) was below this estimate resulting in an underspend	-1,745				
The revised estimate for auditing of grants was based on the planned fee from Grant Thornton for 2013/14 this is not due until June 2014. the actual fee was the planned fee for 2012/13 plus an additional fee, which was less than the provision resulting in an underspend	-5,018				

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Additional grant received from Department for communities and local government for transparency		-2,588			
Rebate on 2012/13 audit fee received from audit commission		-6,010			
Reduced income received from Ribble Valley Homes in respect of VAT shelter monies		65,613			
Reduced support costs mainly from Debt Management			-1,040		
Reduced income from recharges of bank charges to service users			1,745		
Total Policy and Finance Miscellaneous Expenses					50,957
<u>SUPDF: Superannuation Deficiency Payment</u>					
Reduction in number of beneficiaries has resulted in lower deficiency payments	-4,089				
Total Superannuation Deficiency Payment					-4,089

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<u>ESTAT: Estates</u>					
Reduced support costs mainly from legal services due to reduced costs in the section			-1,728		
Total Estates					-1,728
<u>FGSUB: Policy and Finance Grants and Subscriptions</u>					
Budget provisions were included to pay a subscription to the fourth option group and to make a contribution towards the young achievers award. The fourth option group no longer exists and no request for a contribution was received for the young achievers awards, this has resulted in an under spend	-982				
As only a few concurrent function applications were received from parish and town councils a contingency was left in the budget provision for grants to precepting bodies to fund any subsequent claims. This was only partly used resulting in an underspend	-3,089				
A contingency balance was left in the budget provision for grants to voluntary organisation to fund any adhoc request during the year, two additional claims were made which only used part of the provision resulting in an underspend	-7,090				
Total Policy and Finance Grants and Subscriptions					-11,161
<u>INDDV: Economic Development</u>					
Reduced expenditure on subscription as monies to be set aside in an earmarked reserve for improvements to town centres	-1,729				
Total Economic Development					-1,729
Other	-12,596	-11	-2,463	-1	-15,071
Total Variances for Policy and Finance Committee	-147,260	44,951	70,625	-1	-31,685