

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 16

meeting date: 8 SEPTEMBER 2015
 title: REVENUE OUTTURN 2014/15
 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 2015 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 26 August 2015.

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 £183,155 on the net costs of services. After allowing for transfers to and from earmarked reserves this is reduced to an £107,062 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	337,120	331,717	-5,403
CEXEC	Chief Executives Department **	0	0	0
CSERV	Corporate Services	176,640	161,210	-15,430
CLTAX	Council Tax	336,230	325,209	-11,021
NNDRC	National Non Domestic Rates	57,680	22,788	-34,892
ATTEN	Mayor's Attendant **	0	0	0
CIVCF	Civic Functions	57,240	53,916	-3,324
COSDM	Cost of Democracy	445,530	428,987	-16,543
WWOCO	World War One Commemorations	10,190	12,287	2,097
MAYCR	Mayoral Transport **	0	0	0
ELADM	Election Administration	32,710	31,410	-1,300
DISTC	District Elections	-1,390	-933	457
ELECT	Register of Electors	52,570	60,710	8,140
VARIOUS	Meals on Wheels & Luncheon Clubs	6,530	6,957	427
LANDC	Land Charges	34,190	31,835	-2,355
LICSE	Licensing	2,890	-5,181	-8,071
EMERG	Community Safety	55,930	51,210	-4,720
FMISC	Policy & Finance Miscellaneous	-32,760	-80,864	-48,104
PERFM	Performance Reward Grant	19,990	2,208	-17,782
SUPDF	Superannuation Deficiency Payment	117,800	116,715	-1,085
ESTAT	Estates	9,520	8,697	-823
FGSUB	Grants and Subscriptions	144,550	133,200	-11,350
ALBNM	Albion Mill	470	-2,537	-3,007
CONTI	Continental Market	0	28	28
TOURB	Tour of Britain Cycle Race	0	174	174
INDDV	Economic Development	93,500	84,232	-9,268
NET COST OF SERVICES		1,957,130	1,773,975	-183,155

ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES

FNBAL H230	Election Fund	22,840	22,383	-457
FNBAL H256	Concessionary Travel Reserve	0	-40,026	-40,026
FNBAL H269	Asset Valuation Reserve	-8,000	-6,800	1,200

ITEMS ADDED TO / (TAKEN FROM) BALANCES AND RESERVES				
FNBAL H272	Land Charges Restitution Reserve	-4,670	-6,526	-1,856
FNBAL H276	Promotional Activities Reserve	-12,110	-2,850	9,260
FNBAL H325	Vat Shelter Reserve Fund	140,000	184,611	44,611
FNBAL H327	Fleming Vat Reserve	10,420	10,422	2
FNBAL H326	Performance Reward Grant	-17,770	-49,974	-32,204
FNBAL H366	Tour of Britain Reserve	0	89,826	89,826
FNBAL H337	Equipment Reserve	-9,760	-4,548	5,212
FNBAL H354	Right to Bid / Challenge Reserve	16,400	16,402	2
FNBAL H362	Individual Electoral Registration	16,660	6,263	-10,397
FNBAL H365	Civic Suite Reserve	0	11,420	11,420
CPBAL H330	Capital Reserve	1,200	700	-500
NET BALANCES AND RESERVES		155,210	231,303	76,093
NET EXPENDITURE		2,112,340	2,005,278	-107,062

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 £
CLOFF Council Offices	Reduced energy costs due to a below average usage of gas, electricity and water. Also reduced ground maintenance, window cleaning and cleaning material costs.	-5,994
COSDM Cost of Democracy	Expenditure on members' car allowances, travel, subsistence and council meeting expenses were below average. The savings from this and smaller variances have been set aside in the capital earmarked reserve to finance a future capital programme scheme in 2017/18.	-5,578
CSERV Corporate Services	The 2015 edition was delayed to allow maximum publicity for the tour of Britain cycle race; resources have been aside in an earmarked reserve at the end of 2014/15 to fund expenditure in 2015/16.	-6,632
ELECT Register of Electors	Additional equipment and printing costs have been incurred in preparation for the individual electoral register. This expenditure is funded from an earmarked reserve established for this purpose.	12,883

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
FMISC Policy & Finance Miscellaneous	The estimate for Audit Fees (Grants) was based on Grant Thornton planned fee for 2014/15. Actual expenditure relates to fees for 2013/14 which are paid in arrears. The variance reflects the difference between the fees for the two years	5,160
FMISC Policy & Finance Miscellaneous	At the end March 2015 we received a Transparency Grant from the Department for Communities and Local Government in respect of implementation of the requirements of the Transparency code. No notification had been received informing the council that we would receive this grant for a second year. The additional income has been set aside in earmarked reserve to fund future expenditure.	-5,615
FMISC Policy & Finance Miscellaneous	The level of capital works that fell within the VAT shelter arrangements was greater than originally anticipated by Ribble Valley Homes. This additional income has been set aside in earmarked reserve together with other all other VAT shelter income	-44,611
INDDV Economic Development	The subscription and promotional activities budgets have been underspent mainly due business newsletter not being produced in the year.	-8,556
LSERV Legal Services	The provision for legal expenses was overspent due to professional fees and costs incurred assisting the council with the employment tribunal	10,919
NNDRC National Non Domestic Rates	Grant received from DCLG to cover the cost of implementing the legislative changes announced in the Autumn statement 2013 and 2014	-10,612
OMDEV Organisation & Member Development	Delays in implementing the corporate training plan and no staff currently undertaking professional qualification training has resulted in an underspend on corporate training and departmental training	-9,334
OMDEV Organisation & Member Development	The provision for the purchase of new / replacement equipment and materials was only partly needed in the year. Printing and stationery and photocopying charges costs have also fallen due to a move to a new colour printer / copier where the cost of toners is included in the copy charge	-5,938
PERFM Performance reward grants	All grant expenditure was required to be capitalised, whereas the estimate provided for some of this expenditure being charged to revenue, hence the underspend	-17,770

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 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 2014/15 of £183,200. After transfer to/from earmarked reserves this is reduced to an underspend of £107,100.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF47-15/TH/AC
22 July 2015

BACKGROUND PAPERS;
Policy & Finance closedown working papers 2014/15

For further information please ask for Trudy Holderness.

POLICY & FINANCE COMMITTEE – VARIANCES 2014/15

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
ALBNM: Albion Mill					
No legal expenses incurred in the year. These only become due when unit rents are reviewed.	-1,660				
A budget provision was made for minor repair costs which are deducted by R. Pinkus before rental income is passed onto Ribble Valley. No deductions for repairs occurred during the financial year.		-1,253			
Total Albion Mill					-2,913
CEXEC : Chief Executives					
Reduced staffing cost is due to a combination of pay award adjustments, less overtime than anticipated to cover vacant posts, no staff adverts and a discount received on professional subscriptions	-1,388				
Training expenses are less than anticipated as no professional qualification training being undertaken at present	-3,573				
Redundancy pay paid to temporary environmental health officer at the end of a fixed term contract	3,401				
Reduced transport costs due to lower car allowance and car parking claims and fewer train journeys than taken in previous years.	-1,040				
Reduced supplies and service costs mainly from printing & stationery costs, this is due to the lease of combined copier/printers which now include the cost of consumables within a copy charge. Also postage costs are below the 3 year average for the period October to March on which the budget was based.	-3,494				

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
Reduced support costs mainly from council offices, computer services and organisation and member development			-6,864		
The decrease in net expenditure is reflected in lower recharges to other services			13,181		
Total Chief Executives					223
CIVCF : Civic Functions					
Reduced costs for use of mayoral car due to a reduction in the overall vehicle running costs	-387				
Reduced expenditure on beverages and other civic expenses such as flowers, wreaths and flying the flag which are funded by Ribble Valley	-2,044				
Reduced support costs mainly from civic suite attendant and legal services			-727		
Total Civic Functions					-3,158
CIVST : Civic Suite					
Below average hours worked by temporary staff covering town hall attendant. The estimate was based on allowing an average of 90 hours, whereas the actual for the year was 59 hours worked. Also no tuition costs incurred	-467				
Reduced repair costs due to the main roof slopes and link corridor roof being anticipated to cost £3,750, but actually only costing £1,800	-2,386				
Reduced energy costs due to below average usage of gas, electricity and water. Also reduced window cleaning and cleaning material costs. The savings have been set aside in the capital earmarked reserve to finance a future capital programme scheme in 2017/18.	-1,850				

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
Expenditure on the purchase of equipment, refreshments, protective clothing, laundry, printing and stationery and incidental expenses not required in the year.	-1,566				
Income received from internal and external function hire was below a 3 year average for the period September to March on which the budget was based.		969			
The decrease in net expenditure is reflected in lower recharges to other services			5,363		
Total Civic Suite					63
CLOFF : Council Offices					
Reduced staffing costs expenses mainly due to less cover required for opening offices, vacant cleaners post and no tuition costs	-1,217				
Expenditure on repairs to the main roof slopes and link corridor roof not required due to the Council offices reroofing scheme being included in the 2015/16 capital programme.	-4,468				
Reduced energy costs due to a below average usage of gas, electricity and water. Also reduced ground maintenance, window cleaning and cleaning material costs.	-5,994				
The decrease in net expenditure is reflected in lower recharges to other services			11,843		
Total Council Offices					164
CLTAX : Council Tax					
Reduced supplies & services costs due to replacement / new equipment not required in the year, lease of printers which include consumables in a copy charge and also a contribution received from LCC for the inclusion of their leaflet with the main bills.	-4,224				

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
Reduced support costs mainly from revenue services			-4,604		
Total Council Tax					-8,828
COMPR : Computer Services					
Additional salary cost incurred to cover for maternity leave offset by no tuition costs	195				
Additional costs of supply and installation of replacement air conditioning units in the server room. Also, there were consultants expenses incurred in addition to the supply of an upgrade to the ICON software system.	1,378				
Reduced software maintenance costs due to the cancellation of the Hopewiser system part way through the year	-4,159				
In the past few years there has been a move towards the use of more economical multifunctional devices (combined printer/copier/scanner) rather than individual printers. This has resulted in less consumables being purchased.	-4,198				
The year-end quarter invoice for Government Connect GSI service was less than the previous year (on which the budget had been based).	-1,661				
Reduced support costs mainly from accommodation costs			-1,142		
The decrease in net expenditure is reflected in lower recharges to other services			10,176		
Total Computer Services					589
CONTC: Contact Centre					
Reduced staffing cost due to a short period when there was a vacant post. Also no training expenses have been incurred	-997				
Provision for the replacement of staff uniforms and the purchase of equipment and materials was not been needed in full during the year	-1,102				

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
Reduced support costs mainly from accommodation costs and computer services			-755		
The decrease in net expenditure is reflected in lower recharges to other services			3,085		
Total Contact Centre					231
CORPM : Corporate Management					
Reduced support costs mainly from financial services and chief executives			-5,403		
Total Corporate Management					-5,403
COSDM : Cost of Democracy					
Reduced supplies and services costs largely in relation to computer consumables.	-2,120				
Expenditure on members' car allowances, travel, subsistence and council meeting expenses are below average.	-5,578				
Reduced support costs mainly from accommodation costs, financial, legal and organisation and member development			-8,196		
Total Cost of Democracy					-15,894
CSERV : Corporate Services					
The 2015 edition was delayed to allow maximum publicity for the tour of Britain cycle race; resources have been aside in an earmarked reserve at the end of 2014/15 to fund expenditure in 2015/16.	-6,632				
The promotional activities budget was underspent due to the embargo on the announcement on hosting a stage of the Tour of Britain cycle race in 2015. Resources have been set aside in an earmarked reserve to fund future expenditure.	-3,960				
Reduced support costs mainly from organisation and member development			-3,687		

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
Total Corporate Services					-14,279
ELECT: Register of Electors					
Additional equipment and printing costs have been incurred in preparation for the individual electoral register. This expenditure is funded from an earmarked reserve established for this purpose.	12,883				
Additional funding from MoJ to boost number of people registered to vote		-2,626			
Reduced support costs mainly from legal services			-1,624		
Total Register of Electors					8,633
ELADM : Election Administration					
Reduced support costs mainly from legal services			-1,300		
Total Election Administration					-1,300
EMERG : Emergency Planning					
Below average expenditure on the purchase of equipment and materials and provision for repairs / additional telephones lines not required	-3,914				
Reduced support costs mainly from chief executives			-577		
Total Emergency Planning					-4,491
ESTAT : Estates					
Additional income from sale of freehold land offset by income from sale of public conveniences which had been included in the budget, but has been transferred to community committee where the service costs are.	315				
Reduced support costs mainly from legal services			-876		
Total Estates					-561

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
FGSUB: Policy & Finance Grants & Subscriptions					
Subscription to Local Government Unit and Fair Funding no longer required	-2,572				
Concurrent Function Grant budget not fully used, as only 21 parish councils applied for funding	-4,202				
Balance of grant funding not distributed at year-end	-4,560				
Total Policy & Finance Grants & Subscriptions					-11,334
FMISC : Policy & Finance Miscellaneous					
The estimate for Audit Fees (Grants) was based on Grant Thornton planned fee for 2014/15. Actual expenditure relates to fees for 2013/14 which are paid in arrears. The variance reflects the difference between the fees for the two years	5,160				
Bank charges were below average for the period October to March, on which the budget was based.	-1,472				
There has been an underspend on debt management expenses due to the charge for the revaluation of assets being less than anticipated and no loan fees being incurred.				-2,855	
At the end March 2015 we received a Transparency Grant from the Department for Communities and Local Government in respect of implementation of the requirements of the Transparency code. No notification had been received informing the council that we would receive this grant for a second year. The additional income has been set aside in earmarked reserve to fund future expenditure.		-5,615			

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
The level of capital works that fell within the VAT shelter arrangements was greater than originally anticipated by Ribble Valley Homes. This additional income has been set aside in earmarked reserve together with other all other VAT shelter income		-44,611			
The decrease in bank charges is reflected in lower recharges to other services			1,472		
Total Policy & Finance Miscellaneous					-47,921
FSERV : Financial Services					
Reduced staffing costs due to the procurement assistant and audit technician posts being vacant for a period. Also no professional subscriptions were paid for the procurement post as a result of the vacancy, but this was offset by an increase in staff advertising costs.	-2,459				
Training expenses were less than anticipated as staff complete their professional qualification during the year	-1,702				
Lower than anticipated car allowance and car parking claims and fewer train journeys than previously taken	-759				
The provision for the purchase of new / replacement equipment and materials was only partly needed in the year and printing and stationery costs have fallen due to a move to a colour printer / copier where the cost of toners is included in a copy charge	-3,167				
Reduced support costs mainly from Council offices and organisation and member development			-2,740		
The decrease in net expenditure is reflected in lower recharges to other services			12,338		
Total Financial Services					1,511

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
INDDV : Economic Development					
The subscription and promotional activities budgets have been underspent mainly due business newsletter not being produced in the year.	-8,556				
Reduced support costs mainly from chief executive department			-704		
Total Economic Development					-9,260
LANDC : Land Charges					
Additional legal expenses in respect of property search litigation incurred from Local Government Association after estimates prepared	1,856				
There has been 216 more part II land charges enquiries offset by 63 less LLC1 search certificate than estimated. Estimate based on actual number of enquiries to October plus a three year average for the remaining period		-2,522			
Reduced support costs mainly from legal services			-1,957		
Total Land Charges					-2,623
LICSE : Licencing					
The number of disclosure barring enquiries (CRB checks) fell from an average of 45 to 21 in the period November to March. All costs are recovered from taxi drivers	-1,054	1,054			
A year end debtor provision has been made for a period when the software maintenance for the Lalpac enterprise edition was not covered by the supplier, this has been offset by a yearend creditor provision for the final instalment of an upgrade	-1,279				
Reduced support costs mainly from legal services			-3,911		
Above average number of premises licences have been received in the period September to March resulting in additional income, offset by no income from scrap metal licences		-4,064			
Total Land Charges					-9,254

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
LSERV : Legal Services					
Reduced tuition and staff advertising costs due to no staff undertaking professional qualifications and no costs charged to the service for staff advertisements	-2,917				
Reduced transport costs as fewer mileage allowance claims due to member of staff going on maternity leave	-1,085				
The reference book budget was reduced by £10k when revised estimates were prepared. This left a provision for online subscriptions and other publication. Only two other publications were purchased resulting in the underspend	-2,620				
The provision for legal expenses was overspent due to professional fees and costs incurred assisting the council with the employment tribunal	10,919				
Above average income from legal fees for the period November to March	-2,135				
Reduced support costs mainly from the charge for office accommodation and support from computer services and organisation & member development			-3,432		
The decrease in net expenditure is reflected in lower recharges to other services			3,325		
Total Legal Services					2,055

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
NNDRC : National Non Domestic Rates					
Due to legislative changes announced in the autumn statements 2013 and 2014, the software has been upgraded. Northgate Information Solutions have charged for this service.	1,600				
Grant received from DCLG to cover the cost of implementing the legislative changes announced in the autumn statement 2013 and 2014		-10,612			
Reduced support costs mainly from revenues service			-1,427		
Total National Non Domestic Rates					-10,439
OMDEV : Organisation & Member Development					
Delays in implementing the corporate training plan and no staff currently undertaking professional qualification training has resulted in an underspend on corporate training and departmental training	-9,334				
The provision for the purchase of new / replacement equipment and materials was only partly needed in the year. Printing and stationery and photocopying charges costs have also fallen due to a move to a new colour printer / copier where the cost of toners is included in the copy charge	-5,938				
The cost of calls made via the main telephone system was less than anticipated	-1,763				
Below average income received from external bodies for the production of newsletters and leaflets etc.		1,348			
Reduced support costs mainly from accommodation charges			-1,757		
The decrease in net expenditure is reflected in lower recharges to other services			18,238		
Total Organisation & Member Development					794
PERFM : Performance Reward Grants					

	VARIANCE IN EXPENDITURE	VARIANCE IN INCOME	VARIANCE IN SUPPORT	VARIANCE IN CAPITAL	TOTAL VARIANCE
All grant expenditure was required to be capitalised, whereas the estimate provided for some of this expenditure being charged to revenue, hence the underspend	-17,770				
Total Performance Reward Grants					-17,770
REVUE : Revenues					
Reduced staffing and professional subscription costs due to staff taking leave without pay and not all staff claiming for the payment of a professional subscription	-1,486				
Reduced transport costs due to lower car allowance claims and no train journeys taken	-1,036				
Reduced support costs mainly from accommodation and contact centre charges			-4,681		
The decrease in net expenditure is reflected in lower recharges to other services			7,612		
Total Revenues					409
SUPDF : Superannuation Deficiency Payments					
There was a reduction in the March recharge from the county council in respect of superannuation deficiency payments due to falling numbers of beneficiaries	-1,076				
Total Superannuation Deficiency Payments					-1,076
WWOCO : World War One Commemorations					
Increased repair and maintenance cost due to planting and preparation for the Royal visit	1,153				
Total World War One Commemorations					1,153
Other	-31,864	-948	351	-15	-32,476
Total Variances for Policy & Finance Committee	-142,025	-68,880	30,620	-2,870	-183,155