

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 15

meeting date: 12 SEPTEMBER 2017
 title: REVENUE MONITORING 2017/18
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the position for the first four months of this year's revenue budget as far as this committee is concerned.

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 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period. You will see an overall overspend of £189,964 on the net cost of services. After allowing for estimated transfers to and from balances and reserves this overspend is reduced to £186,706.

2.2 This overspend position is due to the payment of Flood Resilience Grants to households affected by Storms Desmond and Eva. We will be making a claim for the reimbursement of these grants from DCLG, via Lancashire County Council. With full reimbursement of these grants, the position would be a overspend of £21,143 before earmarked reserves.

Cost Centre	Cost Centre Name	Net Budget for the full year	Net Budget to the end of the period	Actual including Commitments to the end of the period	Variance	
		£	£	£	£	
COMPR	Computer Services	0	87,015	87,801	786	G
LICSE	Licensing	24,980	-10,720	-11,025	-305	G
LANDC	Land Charges	17,260	-17,202	-18,781	-1,579	G
FGSUB	Grants & Subscriptions – P & F	160,560	118,342	118,352	10	G
PARGR	Parish Council Grants	0	13,648	13,648	0	G
CEXEC	Chief Executives Department	0	300,631	298,541	-2,090	A
CLTAX	Council Tax	340,780	29,650	98,473	68,823	R
NNDRC	National Non Domestic Rates	36,200	6,648	-24,637	-31,285	R
CORPM	Corporate Management	326,260	0	0	0	G
EMERG	Community Safety	59,570	3,082	1,891	-1,191	G
FLDRB	Flood Grants – Businesses	0	0	37,541	37,541	R

Cost Centre	Cost Centre Name	Net Budget for the full year	Net Budget to the end of the period	Actual including Commitments to the end of the period	Variance	
		£	£	£	£	
FLDRH	Flood Grants - Householders	0	0	131,280	131,280	R
DISTC	District Elections	0	0	3,725	3,725	A
ELADM	Election Administration	43,320	0	0	0	G
ELECT	Register of Electors	91,530	12,267	20,256	7,989	R
ESTAT	Estates	54,960	-13,278	-11,713	1,565	G
CIVCF	Civic Functions	58,870	26,906	23,392	-3,514	A
COSDM	Cost of Democracy	445,800	81,195	74,748	-6,447	R
FSERV	Financial Services	0	209,294	211,304	2,010	A
LUNCH	Luncheon Clubs	15,070	0	1,530	1,530	G
CIVST	Civic Suite	0	17,292	14,545	-2,747	A
CLOFF	Council Offices	0	86,733	85,957	-776	G
FMISC	Policy & Finance Miscellaneous	-54,740	10,547	9,541	-1,006	G
PERFM	Performance Reward Grants	55,010	0	0	0	G
SUPDF	Superannuation Deficiency Paym'ts	97,920	21,653	14,592	-7,061	R
LSERV	Legal Services	0	106,695	107,124	429	G
OMDEV	Organisation & Member Development	0	110,009	113,407	3,398	A
CSERV	Corporate Services	180,470	18,751	18,018	-733	G
CONTC	Contact Centre	0	54,384	48,284	-6,100	R
REVUE	Revenues & Benefits	0	157,968	153,680	-4,288	A
Total net cost of services		1,953,820	1,431,510	1,621,474	189,964	

Items added to / (taken from) balances and reserves					
FNBAL H230	Election Reserve Fund	22,540	0	-3,725	-3,725
FNBAL H269	Asset Revaluation Reserve	2,030	0	0	0
FNBAL H326	Performance Reward Grant	-53,500	-13,648	-13,648	0
FNBAL H337	Equipment Reserve	-120	0	0	0
FNBAL H362	Individual Electoral Registration Reserve	-1,300	-476	-9	467
FNBAL F719	Vat Shelter Reserve	158,000	0	0	0
Net Balances and reserves		127,650	-14,124	-17,382	-3,258

Net Expenditure	2,081,500	1,417,386	1,604,092	186,706
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2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are potential areas of high concern and green variances are areas that currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

2.3 We have then extracted the main variations for the items included in the red shaded cost centres and shown them with the budget holder’s comments and agreed action plans, in Annex 1.

2.4 The main variations for items included in the amber shaded cost centres are shown with budget holders’ comments at Annex 2.

3 CONCLUSION

3.1 The comparison between actual and budgeted expenditure shows an underspend of £186,705 on the first four months of the financial year 2017/18 after transfers to / from earmarked reserves. However there are some large fluctuations that make up this net figure, some of which will be offset by future income / expenditure.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

BACKGROUND WORKING PAPERS
Policy & Finance budget monitoring working papers

PF50-17/TH/AC
31 August 2017

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RED VARIANCES

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
FLDRB/4672	Flood Resilience Grants - Businesses	0	0	37,541	37,541	R	Grant funded remedial work still ongoing on properties affected by the 2015 floods.	Claim to be prepared for reimbursements of expenditure from section 31 grant for Community Recovery Schemes paid via Lancashire County Council
FLDRH/4676	Flood Resilience Grants - Households	0	0	131,280	131,280	R		
SUPER/1026	Superannuation Deficiency Payments	91,550	19,529	12,467	-7,062	R	Delay in instalment being taken.	No action proposed.
ELECT/2981	Register of Electors / Postages	34,210	4,157	10,146	5,989	R	Charge for postage of HEFS received earlier in 2017/18 compared to 2016/17.	No action proposed.

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CLTAX/8649z	Council Tax / Storm Eva S31 Grant	0	0	70,269	70,269	R	Provision for a section 31 grant from Department of Communities and Local Government made in 2016/17 accounts brought forward to 2017/18. The purpose of the grant is to cover the cost of council tax discounts given to households as a result of Storm Eva.	No action proposed.
NNDRC/3090	National Non Domestic Rate / Legal	0	0	10,741	10,741	R	Professional fee incurred acting on Ribble Valley's behalf	Budget to be reviewed when revised estimates are produced.
NNDRC/3165	National Non Domestic Rate / Rateable Value Finder	0	0	5,750	5,750	R	A rateable value finding service has been employed on a commission basis to identify missing rateable values which may have the potential of additional revenue income.	Budget to be reviewed when revised estimates are produced.

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
NNDRC/8569z	National Non Domestic Rate/Compensation	0	0	-26,782	-26,782	R	Payment received June	Budget to be reviewed when revised estimates are produced.
NNDRC/8720z	National Non Domestic Rate / Enterprise Zone	0	0	-19,530	-19,530	R	The income relates to retained business rates for 2016/17 that fall within the Enterprise Zone. It is payable to Lancashire County Council (LCC).	No action at present, waiting for invoice from LCC.

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AMBER VARIANCES

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
DISTC/2972	District Elections / Polling station - Equipment & Materials	0	0	3,725	3,725	A	Purchase of new polling booths, funded from an earmarked reserve.
LSERV/3301	Legal Services / Salaries	253,670	84,624	88,083	3,459	A	There has been a lower level of staff turnover experienced to date than that budgeted for.
COSDM/3033	Cost of Democracy / Basic Allowance	151,950	50,688	47,613	-3,075	A	The budget includes an annual increase in the basic members allowance based on the increase in national minimum wage from the previous October, this was a larger increase than the national salary increase of Local Government staff to be used from April 2016 as recommended by an independent remuneration panel, who had reviewed the allowance scheme.
CLOFF/2402	Council Offices / Repair & Maintenance - Buildings	30,950	10,324	12,812	2,488	A	The variance is due to a commitment order of £3.5k placed for repairing flues.
CEXEC/0100	Chief Executives Department / Salaries	781,410	260,676	256,722	-3,954	A	The variance is as a result of vacant part-time Pest control officer and Building surveyor posts.

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
CEEXEC/3301	Chief Executives / Security Phones	1,400	468	3,039	2,571	A	The variance is due to the purchase of replacement security phones for eligible staff.
OMDEV/1024	Organisation & Member Development / Apprenticeship Levy	0	0	4,164	4,164	A	The Government has introduced an apprenticeship levy, where employers with a pay bill in excess of £3 million are required to pay an apprenticeship levy at 0.5% of their yearly pay bill payable to HM Revenue and Customs via the PAYE process. The variance represents the amount paid to date
FSERV/0100	Financial Services / Salaries	449,380	149,912	154,220	4,308	A	There has been a lower level of staff turnover experienced to date than that budgeted for.