

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 20

meeting date: 7 NOVEMBER 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 six 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 provide 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 £207,984 on the net cost of services. After allowing for estimated transfers to and from earmarked reserves this overspend is reduced to £203,177.

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 reduce the overspend to £20,833 before movements from 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	107,808	118,804	10,996	R
LICSE	Licensing	24,980	-44,156	-52,042	-7,886	R
LANDC	Land Charges	17,260	-29,341	-28,066	1,275	G
FGSUB	Grants & Subscriptions – P & F	160,560	125,895	125,402	-493	G
PARGR	Parish Council Grants	0	13,648	15,433	1,785	G
CEXEC	Chief Executives Department	0	460,494	451,189	-9,305	R
CLTAX	Council Tax	340,780	36,424	105,650	69,226	R
NNDRC	National Non Domestic Rates	36,200	7,612	-20,803	-28,415	R
CORPM	Corporate Management	326,260	0	0	0	G
EMERG	Community Safety	59,570	2,877	2,148	-729	G

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	
		£	£	£	£	
FLDRB	Flood Grants – Businesses	0	0	38,232	38,232	R
FLDRH	Flood Grants - Householders	0	0	148,919	148,919	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	32,129	23,821	-8,308	R
ESTAT	Estates	54,960	-19,788	-19,183	605	G
CIVCF	Civic Functions	58,870	30,526	27,840	-2,686	A
COSDM	Cost of Democracy	445,800	122,166	113,144	-9,022	R
FSERV	Financial Services	0	301,200	305,721	4,521	A
LUNCH	Luncheon Clubs	15,070	0	1,530	1,530	G
CIVST	Civic Suite	0	21,418	16,556	-4,862	A
CLOFF	Council Offices	0	113,731	112,464	-1,267	G
FMISC	Policy & Finance Miscellaneous	-54,740	26,956	26,409	-547	G
PERFM	Performance Reward Grants	55,010	0	0	0	G
SUPDF	Superannuation Deficiency Paym'ts	97,920	49,191	47,716	-1,475	G
LSERV	Legal Services	0	162,383	162,825	442	G
OMDEV	Organisation & Member Development	0	168,951	172,224	3,273	A
CSERV	Corporate Services	180,470	21,098	18,018	-3,080	A
CONTC	Contact Centre	0	78,856	74,144	-4,712	A
REVUE	Revenues & Benefits	0	234,946	226,068	-8,878	R
MRDVA	Market Redevelopment Area	0	0	15,120	15,120	R
Total net cost of services		1,953,820	2,025,024	2,233,008	207,984	

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	-15,433	-1,785	
FNBAL H337	Equipment Reserve	-120	0	0	0	
FNBAL H362	Individual Electoral Registration Reserve	-1,300	-712	-9	703	
FNBAL F719	Vat Shelter Reserve	158,000	0	0	0	
Net Balances and reserves		127,650	-14,360	-19,167	-4,807	

Net Expenditure	2,081,500	2,010,664	2,213,840	203,177
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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.
- 2.5 In summary the main areas variance which are unlikely to rectify themselves by the end of the financial year are summarised below. Please note favourable variances are denoted by figures with a minus symbol

Description	Variance to end of Sept'2017 £
ELECT - Register of Electors Grant funding received to cover additional costs of Individual Electoral Registration in 2017/18. Announcement made July 2017	-10,975
OMDEV – Organisation & Member Development The government has introduced an apprentice Levy where employees have a bill in excess of £3 million they are required to pay an apprentice levy at 0.5% of here yearly pay bill payable to HM revenues & customs via the PAYE process. This contribution will be topped up by the government and will be used by us to pay for apprentice and other staff training.	5,981
NNDRC – National Non Domestic Rates Professional fees incurred acting on behalf of Ribble Valley in a dispute regarding business rates.	11,641

Description	Variance to end of Sept'2017 £
NNDRC – National Non Domestic Rates A rateable value finder has been employed on a commission basis to identified missing rateable values which may have the potential of additional revenue income.	5,750
NNDRC – National Non Domestic Rates In June 2017 a compensation payment was received by us to cover professional fees and other costs incurred in a dispute regarding business rates.	-26,782
MRDVA – Market Redevelopment Area Professional fees incurred on redevelopment of market scheme. Costs to be recovered from developer. If no development this would be a cost to be funded by the council.	15,120

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an overall overspend of £207,984 on the net cost of services. After allowing for estimated transfers to and from earmarked reserves this overspend is reduced to £203,177.
- 3.2 This overspend position is due to the payment of Flood Resilience Grants to households and businesses 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 reduce the overspend to £20,833 before movements in earmarked reserves.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

BACKGROUND WORKING PAPERS

Policy & Finance budget monitoring working papers

PF57-17/TH/AC

24 October 2017

POLICY & FINANCE COMMITTEE

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 / Grants	0	0	38,232	38,232	R	Grant funded remedial work still ongoing on properties affected by the 2015 floods.
FLDRH/4676	Flood Resilience Grants - Households / Grants to individuals	0	0	148,919	148,919	R	
MRDVA/3085	Market Redevelopment Area / Consultants	0	0	15,120	15,120	R	Professional fees incurred on redevelopment of market scheme. The intention is to recover these from the developer when the scheme progresses to the development stage.

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	
COMPR/2968	Computer Services/ Enterprise Agreements	3,810	3,810	13,623	9,813	R	Annual charge for operating licences for all PC's, Tablets and Laptops to be recharged to sections based on number and type of license.	To review the allocation of the annual licence cost.
FSERV/0100	Financial Services / Salaries	449,380	224,780	230,517	5,737	R	There has been a lower level of staff turnover experienced to date than that budgeted for.	Budget to be reviewed when revised estimates are produced.
CEEXEC/0100	Chief Executives Department / Salaries	781,410	390,860	384,190	-6,670	R	The variance is as a result of vacant posts including Pest Control Officer (P/T), Cemetery Officer and building Surveyor.	Budget to be reviewed when revised estimates are produced.
LSERV/0100	Legal Services / Salaries	253,670	126,886	132,125	5,239	R	There has been a lower level of staff turnover experienced to date than that budgeted for.	Budget to be reviewed when revised estimates are produced.
ELECT/8050z	Register of Electors / IER Grant	0	0	-10,975	-10,975	R	Grant funding received to cover the additional cost of IER incurred in 2017/18.	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
OMDEV/1024	Organisation & Member Development / Apprenticeship Levy	0	0	5,981	5,981	R 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. This contribution will be topped up by the government and will be used by us to pay for apprentice and other staff training.	These funds that have been set aside in the government pot will be spent on staff training over future months.
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, funding should be received once the scheme is closed.

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/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.
NNDRC/3090	National Non Domestic Rate / Legal	0	0	11,641	11,641	R Professional fees incurred acting on Ribble Valley's behalf in a dispute regarding business rates. Compensation has been made in respect of these and past year costs.	Budget to be reviewed when revised estimates are produced.
NNDRC/8569z	National Non Domestic Rate/Compensation	0	0	-26,782	-26,782	R Compensation payment received in June in respect of professional fees incurred in dispute over business rates. (see above)	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).	Invoice currently awaited 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.
COSDM/3033	Cost of Democracy / Basic Allowance	151,950	76,004	71,419	-4,585	A	The budget includes an annual increase in the basic members allowance based on the increase in national minimum wage from the previous October, rather than being based on the national salary increase of Local Government staff (wef. April 2016). The increase allowed for in the budget was larger than the national salary increase of Local Government staff.
LANDC/8408	Land Charges / Search Fee	-80,800	-40,416	-37,949	2,467	A	Fall in number of search requests
LICSE/8437u	Licensing / Premises	-59,120	-35,490	-40,464	-4,974	A	Increase in number of licenses renewed in period
CIVST/2402	Civic Suite / Repair & Maintenance - Buildings	11,780	5,892	3,523	-2,369	A	A 2017/18 capital scheme has been approved to upgrade the civic suite and replace seating, which has resulted in less repairs to the building

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
CLOFF/2432	Council Offices / Electricity	23,160	11,582	14,150	2,568	A	Since a new meter was fitted the usage of electricity has been considerably higher than previously recorded with the old meter. The new meter was tested in 2016/17 and found to be correct. However due to testing taking place after estimates were prepared, the estimated cost for 2017/18 has been based on the old meter readings.
OMDEV/2981	Organisation & Member Development / Postages	970	4,245	234	-4,011	A	Delay in being invoiced, last invoice was for period ending 31st August
REVUE/0100	Revenues & Benefits / Salaries	373,810	186,978	183,461	-3,517	A	The variance is due to staff turnover, within cashiers, revenues & benefit sections
NNDRC/2809	National Non Domestic Rates / Non Recurring purchase of equipment	0	0	2,550	2,550	A	The variance is due to an order being placed for changes to software needed for changes to Business Rates bills. To be grant funded
COMPR/0100	Computer Services / Salaries	137,350	68,700	71,545	2,845	A	There has been a lower level of staff turnover experienced to date than that budgeted for.