

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 9 NOVEMBER 2021
 title: OVERALL REVENUE MONITORING 2021/22
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To report the overall revenue position for the current financial year for the half year position up to the end of September 2021.

2 ORIGINAL REVENUE BUDGET 2021/22

2.1 The original estimate agreed for the current year is set out below.

	Original Estimate 2021/22 £
Committee Net Requirements	8,378,290
Capital Charges Adjustment	-782,230
Committee Expenditure After Adjustments	7,596,060
Other Items - Interest Payable	5,510
- Interest on balances	-50,000
- New Homes Bonus	-1,515,848
- Lower Tier Services Grant	-57,696
- Rural Services Delivery Grant	-113,250
- Contingency for Edisford Car Park Extension Feasibility Study	10,000
- Contingency for Potential Uncompensated Lost Income due to Covid-19	150,000
- Retained Business Rates Income	-379,936
- Renewable Energy Business Rates	-95,687
- Section 31 Grant for Business Rates	-1,196,502
- 10% of Retained Levy – Payable to LCC under Pooling Arrangements	69,296
- Share of Business Rates Deficit on Collection Fund	2,725,770
Expenditure After Other Items	7,147,717
Less Added to/(taken from) Earmarked Reserves	-1,630,679
Less Taken from Revenue Balances	-400,000
Net Expenditure	5,117,038

3 BUDGET VARIANCES

3.1 Our budget monitoring to service committees focuses on the value shown above against Committee Net Requirements of £8,378,290.

3.2 Within this report, this amount is broken down subjectively and monitored against the profiled budget up to the end of September 2021. As at this date, there shows a net underspend/over recovery of income of £1,148,776. This position is skewed by movements in respect of Covid-19 (see budget monitoring report for this committee for more details), and as such this variance can be restated as shown below.

Cost Area	Original Estimate for the Year £	Original Estimate to the end of September £	Actual to end of September £	Variance to end of September £
Usual Service Cost Centres	8,379,790	3,939,790	3,751,659	-188,131
Covid-19 Response Cost Centres	0	0	-960,645	-960,645
Overall Net Total Variance	8,379,790	3,939,790	2,791,014	-1,148,776

3.3 The variances are shown subjectively below:

	Variance on Covid-19 Response Cost Centres £	Variance on Usual Service Cost Centres £	Total Variance £
Employee Related	49,626	-176,396	-126,770
Premises Related	9,597	-22,053	-12,456
Transport Related	1,317	-53,562	-52,245
Supplies and Services	50,721	-106,130	-55,409
Third Party Payments	0	4,482	4,482
Transfer Payments	938,025	75,069	1,013,094
Support Services	101,880	2,949	104,829
Total Expenditure Variances	1,151,166	-275,641	875,525
Government grants	-1,968,245	-5,727	-1,973,972
Other Grants, Reimbursements and Contributions	-135,565	-62,571	-198,136
Customer and Client Receipts	-8,001	175,216	167,215
Oncosts and Recharges	0	-19,408	-19,408
Total Income Variances	-2,111,811	87,510	-2,024,301
Net Variance	-960,645	-188,131	-1,148,776

3.4 Many of the Covid-19 Response variances will resolve themselves as the year progresses as grant funds are either paid out or allocated to specific Covid-19 response activities.

3.5 The main variances for the usual service area costs centres are given below:

Description	Amount £	Variance Reasons
Employee Related Expenditure	-176,396	This is due to several staff vacancies, notably within Environmental Health, Internal Audit, Legal, and Planning.
Premises Related Expenditure	-22,053	This net variance is largely in respect of the 100% Business Rates relief that is awarded in respect of standalone public conveniences.
Transport Related Expenditure	-53,562	<p>It is pleasing to be able to report that the refuse collection vehicle repair and maintenance costs have returned to be closer to budgeted costs (<i>overspend of £8,800 to the end of September</i>).</p> <p>The net underspend position shown here is due to the profiling of insurance costs (-£21,875) and will largely be removed as a variance by year end.</p> <p>Other underspends are on:</p> <ul style="list-style-type: none"> - mileage claims (-£9,828 largely due to Covid-19 and staff vacancies) - external contractor repairs of grounds maintenance vehicles and plant (-£7,926) - diesel (-£5,859) although this will likely change to an overspend if price trends continue - vehicle and plant underspends due to the Clitheroe Food Festival not going ahead (-£10,307), although there is also a consequential loss of income, which funded these costs.
Supplies and Services Expenditure	-106,130	<p>Variances here are mainly under 4 themes:</p> <ul style="list-style-type: none"> - Communications and Computing: Postages are not yet fully recharged to services to the end of September, but there remains an underspend in respect of Register of electors and changes to the annual canvas (-£8,597). Also, savings on Communications Equipment following the introduction of Microsoft 365 (-£3,573). - Expenses: underspends in respect of members' allowances and annual council (-£17,230). - Miscellaneous Expenses: (-£20,568) Underspends here are largely in respect of promotional work for the food festival and also on Ribble Valley News due to the impact of Covid. For the food festival there will also be lost income, which funded this expenditure.

Description	Amount £	Variance Reasons
		- Services: reduced charges from tipping charges as trade waste weights have been down due to Covid (-£9,121). As water samples have not been able to be undertaken due to covid and staffing levels, there have been no lab fee charges (-£7,662). Also, lower costs on homelessness accommodation costs as this has instead largely been funded through covid grants (-£5,422).
Third Party Payments Expenditure	4,482	No major variances in this area
Transfer Payments Expenditure	75,069	Rent allowance payments were 2.6% higher than the £2.866m budgeted for the year to date, after adjusting for recovery of benefits overpayments and non-cash transactions. This is mainly due to lower caseload reduction for the year to date than budgeted for. This will be offset by higher rent allowance payment funding through subsidy grant income.
Support Services Expenditure	2,949	No major variances in this area
Government Grants Income	-5,727	No major variances in this area
Other Grants, Reimbursements and Contributions Income	-62,571	<p>The variance is largely in respect of additional service grant income received, which will eventually be offset by additional associated spend.</p> <p>Such areas include Weight Management Fund (-£9,253), Cardiac Rehab Scheme (-£5,750), Flood Resilience Funding (-£5,414), Recharged Works (-£11,079), Lancashire highways Partnership Funding (-£11,939), Police and Crime Commissioner Funding in respect of the Crime and Disorder service (-£17,198)</p>
Customer and Client Receipts Income	175,216	<p>Income for a variety of service areas has been impacted by Covid-19. There will be some additional government grant from the extended Sales Fees and Charges Covid Funding, but this is expected to be approximately £37k and will eventually show under Government Grants.</p> <p>Some of the main losses to the end of September have been:</p> <ul style="list-style-type: none"> - Ribblesdale Pool £113,534 - Edisford all Weather Facility £27,446

Description	Amount £	Variance Reasons
Oncosts and Recharges Income	-19,408	This variance largely represents the costs recharged to the Together an Active Future service and also recharges to the Covid Response in respect of some service areas.
Net Variance on Usual Service Cost Centres	-188,131	

4 CONCLUSION

- 4.1 There is an overall net underspend to the end of September 2021 of £1,148,776. However this is skewed by income and expenditure on covid Response cost centres, where this variance will resolve itself as the year progresses as grant funds are either paid out or allocated to specific Covid-19 response activities.
- 4.2 When the variance for our usual service cost centres are examined, then there is a net underspend of £188,131. The main contributors to this variance are the vacancies experienced to date in a number of service areas.
- 4.3 It is pleasing to be able to report that the refuse collection vehicle repair and maintenance costs have returned to be closer to budgeted costs (overspend of £8,800 to the end of September).

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

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