

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 13 SEPTEMBER 2022
 title: REVENUE MONITORING 2022/23
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To let you know the position for the period April to July 2022 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. To meet the objective within this priority, of maintaining 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 to the end of July. Please note that underspends are denoted by figures with a minus symbol.

2.2 You will see an overall underspend of £278,997 after accounting for service specific movements in reserve and variances within coronavirus response cost centres:

Cost area	Variances		
	Variance £	Earmarked Reserves £	After movements in earmarked reserves £
Service cost centres	-235,665	5,919	-229,746
Covid-19 response	-44,018	-5,233	-49,251
SUM	-279,683	686	-278,997

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance	
CEXEC	Chief Executives Department	2,920	416,944	366,368	-50,576	R
CINTR	Clitheroe Interchange	8,100	1,984	725	-1,259	G
CIVCF	Civic Functions	64,980	23,204	26,693	3,489	A
CIVST	Civic Suite	0	19,043	15,011	-4,032	A

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance	
CLOFF	Council Offices	-1,000	83,445	75,471	-7,974	R
CLTAX	Council Tax	408,820	32,692	30,050	-2,642	A
COMPR	Computer Services	0	42,279	39,858	-2,421	A
CORPM	Corporate Management	365,530	0	0	0	G
COSDM	Cost of Democracy	550,920	107,752	104,151	-3,601	A
CSERV	Corporate services	185,140	14,345	9,808	-4,537	A
CTENP	Council Tax Energy Rebates - Acting as Principal	0	0	-124,552	-124,552	R
DISTC	District Elections	0	4,470	4,470	0	G
ELADM	Election Administration	36,960	0	0	0	G
ELECT	Register of Electors	97,320	20,324	19,391	-933	G
EMERG	Community Safety	68,450	2,366	3,387	1,021	G
ESTAT	Estates	66,490	-12,362	-6,895	5,467	R
FGSUB	Grants & Subscriptions - Policy and Fin	170,390	128,850	106,665	-22,185	R
FMISC	Policy & Finance Miscellaneous	161,870	5,726	10,507	4,781	A
FREED	Freedom of the Borough	7,880	7,880	8,986	1,106	G
LANDC	Land Charges	10,640	-20,766	-13,112	7,654	R
LICSE	Licensing	48,480	-9,461	-9,897	-436	G
LUNCH	Luncheon Clubs	16,450	3,240	2,095	-1,145	G
NNDRC	National Non-Domestic Rates	61,490	-116,170	-115,743	427	G
QPJUB	Queen`s Platinum Jubilee	20,000	20,000	14,081	-5,919	R
RESOR	Resources Department	2,380	795,488	768,356	-27,132	R
SUPDF	Superannuation Deficiency Payments	88,520	19,553	19,286	-267	G
Service cost centre variances		2,442,730	1,590,826	1,355,161	-235,665	
Associated Movements in earmarked reserves	Election Fund	30,000	0	0	0	
	Revaluation Reserve	2,420	0	0	0	
	Cyber Resilience Grant Reserve	-13,600	0	0	0	
	Invest to Save Fund	2,000	2,000	2,000	0	
	Performance Reward Grants	-20,000	-20,000	-12,081	7,919	

Cost Centre	Cost Centre Name	Net Budget for the Full Year	Net Budget to the end of period	Actual including Commitments to the end of the period	Variance
	Parish Grants Reserve	0	0	-2,000	-2,000
	Business Rates Growth	-5,300	-1,767	-1,767	0
Service cost centre variances after movements in reserves		2,438,250	1,571,059	1,341,313	-229,746
Coronavirus cost centre variances		-12,400	-92,500	-136,518	-44,018
Associated Movements in earmarked reserves		12,400	0	-5,233	-5,233
Total Policy and Finance Committee Variances		2,438,250	1,478,559	1,199,562	-278,997

- 2.3 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, which 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

- 2.4 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.
- 2.5 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.
- 2.6 A summary of coronavirus cost centre variances is included for information at Annex 3.
- 2.7 The **main** areas of variances that are **unlikely** to rectify themselves by the end of the financial year are shown below:

Description	Variance to end July 2022 £
<p style="text-align: center;">Chief Executive Department (CEXEC)</p> <p>Council staffing budgets assume an average vacancy saving of 4% across the authority on estimated costs and a pay award of 2%. Vacancies throughout the April to July period, mainly within the environmental health section, have generated salary, superannuation and national insurance underspends above that estimated. Whilst some of this variance will resolve following the completion of national pay negotiations and the payroll processing of any backpay due, the salary forecasts will need to be reviewed and updated at revised estimate to incorporate both vacancy underspends and the national pay award.</p> <p>The council has engaged consultancy support to ensure continuation of the environmental health service during the period of reduced staffing. Costs are being met from the salary underspends detailed above.</p>	-77,259
<p style="text-align: center;">Resources Department (RESOR)</p> <p>There have also been salary underspends within the Resources Department that are partly due to the outstanding pay award for 2022/23 and partly due to vacancies, mainly within the Human Resources and Corporate Services section. All salary costs will be reviewed and budgets updated to the latest position at revised estimate.</p>	-27,935
<p style="text-align: center;">Council Tax Energy Rebates – Principal (CTENP)</p> <p>The council has received new burdens grant funding to help with the cost of administering the Council Tax Energy Rebate scheme.</p>	-36,052

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £279,683 for the April to July period of the financial year 2022/23. After allowing for transfers to/from earmarked reserves there is an underspend of £278,997.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF46-22/LO/AC
5 SEPTEMBER 2022

Policy and Finance Committee Budget Monitoring – 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
CTENP/8384z	Council Tax Energy Rebates - Acting as Principal /DLUHC - Council Tax Energy Rebate Grant	0	0	-88,500	-88,500	The discretionary element of grant income received as part of the Council Tax Energy Rebate scheme.	The grant income and associated expenditures will be brought into the budgets at revised estimate.
CTENP/8433z	Council Tax Energy Rebates - Acting as Principal/ DLUHC - Council Tax Energy Rebate Admin	0	0	-36,052	-36,052	New burdens grant funding received to help the council with the cost of administering the Council Tax Energy Rebate scheme has been received.	The budget will be updated at revised estimate.
CEXEC/0100	Chief Executives Department/ Salaries	926,600	309,112	249,404	-59,708	Costs through the April to July period within the Chief Executives Department salary, superannuation and national insurance budgets are £77k lower than the budget estimate.	Salary budgets will be updated at revised estimate to reflect the latest position in terms of both vacancy underspends and the annual pay award which has yet to be agreed.
CEXEC/0109	Chief Executives Department/ Superannuation Salaries	148,290	49,472	38,718	-10,754	This variance is mainly due to vacancies within the environmental health section and partly due to the late implementation of the pay award which is yet to be agreed.	
CEXEC/0108	Chief Executives Department/ National Insurance Salaries	96,270	32,118	25,321	-6,797	These underspends have been partially offset by expenditure on consultancy support of £23k (CEXEC/3085) and recruitment advertising costs of £3k (CEXEC/1020)	

Policy and Finance Committee Budget Monitoring – 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
FGSUB/4678	Grants & Subscriptions - Policy and Fin/ Grants to Voluntary, Comm & Soc Ent Orgs	115,810	115,810	93,100	-22,710	The value of 2022/23 grants approved by committee to voluntary organisations in March was lower than the budget available for the year. The voluntary organisation grants working group met in advance of today's committee meeting to make recommendations concerning the balance of grant funds remaining.	Recommendations concerning the balance of the grant fund are to be considered elsewhere on the agenda.
RESOR/0100	Resources Department/ Salaries	1,583,600	528,288	505,679	-22,609	Salary costs through the April to July period within the Resources Department are £23k lower than the budget estimate. The variance is partly due to the outstanding pay award for 2022/23 which is yet to be agreed, and partly due to a number of departmental vacancies throughout the period, particularly within the Human Resources and Corporate services section. These underspends have been partially offset by recruitment advertising costs of £2k (See RESOR/1020)	Salary budgets will be updated at revised estimate to reflect the latest position.
CLOFF/2458	Council Offices/ Sewerage & Environmental Supplies	8,650	8,650	0	-8,650	The invoice has not yet been received for the annual surface water and highway drainage charge at the council offices.	The council's supplier has been contacted and the invoice will be processed in due course.
QPJUB/3277	Queen`s Platinum Jubilee/ Promotional Activities	20,000	20,000	12,081	-7,919	The cost of promotional activities to commemorate the Queen's Platinum Jubilee were lower than the budget available for the period to July.	The budget will be updated at revised estimate once all costs have been finalised.

Policy and Finance Committee Budget Monitoring – 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
LANDC/8408n	Land Charges/ Search Fee (Vatable)	-64,300	-20,725	-15,161	5,564	Land charges income, which is driven by the housing market and the timing of release of new build properties, was lower than estimated during the period.	Income will continue to be monitored and the budget updated to reflect the latest position at revised estimate.
ESTAT/2451	Estates/ National Non Domestic Rates	0	0	5,632	5,632	Business rates now payable by the council in respect of previously leased out properties.	The budget will be updated at revised estimate.
FMISC/3085	Policy & Finance Miscellaneous/ Consultants	15,240	0	7,000	7,000	As a result of requirements stipulated by the Council's insurer's we were required to have all of the council's properties formally valued for insurance purposes. This was originally included as a growth request but has now been undertaken in order for our insurance renewal for 2022/23 to be completed.	The budget will be updated at revised estimate.
CEXEC/3085	Chief Executives Department/ Consultants	0	0	23,453	23,453	Consultancy support during a period of reduced staffing within the Environmental Health section, to be funded from vacancy underspends as set out at CEXEC/0100.	A budget will be established at revised estimate

Policy and Finance Committee Budget Monitoring – 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
CSERV/3264	Corporate services/ Ribble Valley News	10,710	3,570	0	-3,570	Preparation for the autumn edition of Ribble Valley News is underway, although initial costings for printing and delivery are currently coming through considerably higher than pre-pandemic levels which may impact on production moving forward.
RESOR/0109	Resources Department/ Superannuation Salaries	264,320	88,176	85,089	-3,087	Lower superannuation and national insurance costs due to salary underspends as set out at RESOR/0100
RESOR/0108	Resources Department /National Insurance Salaries	156,440	52,189	49,950	-2,239	
CIVST/85201	Civic Suite/ Function Hire (exempt code)	-2,420	-1,930	-4,988	-3,058	Income received for hire of the Civic Suite and Committee rooms is higher than estimated. The budget will be updated at revised estimate.
QPJUB/4677	Queen`s Platinum Jubilee/ Grants to Precepting Bodies	0	0	2,000	2,000	Four of the grants awarded to Parish council's to help them commemorate the Jubilee that were budgeted for at revised estimate 2021/22 were processed in the current financial year.
NNDRC/2809	National Non Domestic Rates/ Non Recurring Purchases of Equipment etc	0	0	2,075	2,075	The cost of implementing software updates that are required in order to process the business rates measures that were announced in the Autumn Budget and that are effective for 2022/23. The cost of the measures will be met from central government new burdens funding.

Policy and Finance Committee Budget Monitoring – 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
RESOR/1020	Resources Department/ Advertising	430	144	2,317	2,173	Recruitment costs to advertise for the vacant post of Head of Human Resources. The overspend has been met from departmental salary budget underspends (RESOR/0100).
CEXEC/8402z	Chief Executives Department/ Legal Fees	-8,750	-2,918	-675	2,243	S106 legal work has temporarily been outsourced due to a vacancy within the legal services section. The resulting under achievement of income has been offset by departmental salary underspends.
LICSE/8438u	Licensing/ Taxi Licences	-46,670	-13,615	-10,905	2,710	Taxi licensing income has not yet returned to pre-pandemic levels. Income will continue to be monitored and budgets updated to reflect the latest position at revised estimate.
RESOR/2809	Resources Department/ Non-Recurring Purchases of Equipment etc	0	0	3,000	3,000	Cost of a mandatory upgrade to the council's payment system that is required in order for the council to retain the functionality to continue to process remote payments.
CEXEC/1020	Chief Executives Department/ Advertising	150	52	3,117	3,065	Recruitment costs to advertise for the vacant post of Head of Environmental Health. The overspend has been met from departmental salary budget underspends (CEXEC/0100).
CIVCF/3040	Civic Functions/ Civic Regalia & Plaques	270	217	4,012	3,795	The approved revised estimate for 2021/22 included a budget for the purchase of mayoral medals. As the order wasn't received during the year the expenditure has now fallen into 2022/23.

Policy and Finance Committee Budget Monitoring – 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
CLOFF/2433	Council Offices/ Gas	12,200	2,146	6,557	4,411	<p>April and May gas invoices that were processed during the period are significantly higher than the budget estimate. Whilst this is partly attributable to higher-than-average usage, the overspend is mainly due to the price volatility experienced in gas markets in recent months and the associated inflationary increases.</p> <p>The council participates in a framework agreement along with other councils in order to obtain value for money in its gas supply. An estimate based on information provided by the council's supplier indicates that gas charges for the council offices could potentially be in the region of £40-£50k this financial year, although this is subject to variation depending on usage. The forecast is based on April prices, which may be an under-estimation as it is provided with the caveat that any major market changes could lead to further mid-year price changes.</p>

Policy and Finance Committee Budget Monitoring – Coronavirus Cost Centre Variances

Cost Centre	Cost Centre Name	Actual including Commitments to the end of the period	Comments
CDCUL	Covid 19 Response - Culture and Other	229	General coronavirus response net expenditure allocated to various activities to July 2022. To be funded from local authority un-ringfenced grant funding held in earmarked reserves.
CDFCO	Covid 19 Response - Finance and Corporate	1,006	
CDICT	Covid 19 Response - ICT	3,999	
Expenditure - Coronavirus Response		5,233	
CDHUB	Covid 19 Response - Hub	1,825	Expenditure to July on Contain Outbreak Management activities, to be funded from the Contain Outbreak Management Funds (below).
CDLRO	Covid 19 Response - Economy and Lockdown Enforce	7,159	
CMCPM	COMF - Compliance Measures	3,498	
CMTST	COMF - Testing	2,024	
COVID	Contain Outbreak Management Fund - grant funding income	-63,757	Contain Outbreak Management Fund grant income allocated to the 2022/23 financial year
Contain Outbreak Management Fund Balance		-49,251	
Coronavirus cost centre variances		-44,018	