

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 28 MARCH 2023  
 title: REVENUE MONITORING 2022/23  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: VALERIE TAYLOR

### 1 PURPOSE

1.1 To let you know the position for the period April to February 2023 of this year's revised 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 revised estimate for the period to the end of February. You will see an overall underspend of £184,593 on the net cost of services. Please note that underspends are denoted by figures with a minus symbol. After allowing for transfers to/ from earmarked reserves there is an underspend of £199,830.

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	
CEEXEC	Chief Executives Department	0	1,025,143	1,003,313	-21,830	R
CIVCF	Civic Functions	67,860	44,737	43,734	-1,003	G
CIVST	Civic Suite	0	30,289	31,644	1,355	G
CLOFF	Council Offices	0	236,071	231,446	-4,625	A
CLTAX	Council Tax	449,770	66,900	80,381	13,481	R
COMPR	Computer Services	0	114,861	106,244	-8,617	R
CORPM	Corporate Management	414,580	0	0	0	G
COSDM	Cost of Democracy	574,340	264,236	262,361	-1,875	G
CSERV	Corporate services	159,870	26,475	9,925	-16,550	R
CTENP	Council Tax Energy Rebates - Acting as Principal	-36,050	-36,832	-36,832	0	G
DISTC	District Elections	0	8,730	10,974	2,244	A
ELADM	Election Administration	24,480	-950	-10,860	-9,910	R
ELECT	Register of Electors	116,350	61,253	62,672	1,419	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	
EMERG	Community Safety	81,810	4,990	4,102	-888	G
ESTAT	Estates	95,080	-21,297	-15,485	5,812	R
FGSUB	Grants & Subscriptions - Policy and Fin	165,680	145,278	144,765	-513	G
FMISC	Policy & Finance Miscellaneous	70,800	110,405	108,331	-2,074	A
FREED	Freedom of the Borough	9,130	8,773	9,122	349	G
HSUPF	Household Support Fund	-8,200	-8,200	-77,024	-68,824	R
LANDC	Land Charges	33,730	-42,406	-41,681	725	G
LICSE	Licensing	88,460	-68,831	-73,966	-5,134	R
LUNCH	Luncheon Clubs	16,420	13,169	11,995	-1,174	G
NNDRC	National Non- Domestic Rates	70,600	17,042	15,911	-1,131	G
QPJUB	Queen`s Platinum Jubilee	16,390	16,224	15,355	-869	G
RESOR	Resources Department	17,000	2,136,571	2,138,790	2,219	A
SUPDF	Superannuation Deficiency Payments	90,620	60,055	59,546	-509	G
UKSPF	UK Shared Prosperity Fund	0	0	-67,527	-67,527	R
CDCUL	Covid 19 Response - Culture and Other	330	304	356	52	G
CDFCO	Covid 19 Response - Finance and Corporate	1,000	917	1,063	146	G
CDICT	Covid 19 Response - ICT	4,110	3,768	4,428	660	G
COVID	Covid-19 Response	-75,380	-124,660	-124,661	-1	G
	<b>Net cost of services</b>	<b>2,448,780</b>	<b>4,093,015</b>	<b>3,908,422</b>	<b>-184,593</b>	

Transfers to/from Earmarked Reserves				
Reserve	Net Budget for the Full Year	Net budget to the end of the period	Actual to the end of the period	Variance
Covid-19 Reserve	52,180	52,627	51,772	-855
Council Tax Energy Rebate Reserve	36,050	36,050	17,754	-18,296
Cyber Resilience Grant Reserve	-1,130	-1,036	-1,130	-94
Elections Fund Reserve	90,000	0	0	0
Invest to Save Fund	2,000	2,000	2,000	0
Revaluation of Assets Reserve	4,000	0	0	0
Performance Reward Grant Reserve	-14,390	-14,390	-13,855	535
Equipment Reserve	-5,820	-5,335	-2,191	3,144
Parish Grants Reserve	-2,000	-1,834	-1,500	334
Audit Reserve	-46,700	-9,430	-9,435	-5
VAT Shelter Reserve	92,160	0	0	0
<b>Total after Transfers to/from Earmarked Reserves</b>	<b>2,655,130</b>	<b>4,151,667</b>	<b>3,951,837</b>	<b>-199,830</b>

- 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, 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

- 2.3 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 show with budget holders comments at Annex 2.
- 2.5 In summary the **main** areas of service cost centre variances that are **unlikely** to rectify themselves by the end of the financial year is shown below:

Description	Variance to end February 2023 £
<p><b><u>Council Offices (CLOFF) – Gas</u></b> Underspend on the supply of gas at the council offices during the October to December period. The underspend is partly because usage has been lower than estimated due to the mild winter, but is mainly because the Government Energy Bill Relief Scheme that was announced after this budget estimate was set has reduced the unit cost of gas during the period by 43%.</p>	-£12,726
<p><b><u>Council Offices (CLOFF) – Repair and Maintenance</u></b> Requirements for expenditure on routine maintenance and responsive repairs of the council offices on areas including fire, alarm and heating maintenance, replacement lighting and repairs to toilets, doors, windows etc. is higher than the budget set aside this year.</p>	10,066
<p><b><u>Chief Executive's Department - Employee costs (CEXEC)</u></b> Salary, National Insurance and Superannuation costs within the department are underspending at revised estimate, mainly due to vacancies within the environmental health section.</p> <p>The underspend is partially offset by expenditure on consultancy services to ensure continuation of the environmental health service during the period.</p>	-25,139  5,539

Description	Variance to end February 2023 £
<p><b><u>Council tax (CLTAX) – Citizen’s Access Revenues Module</u></b>  This variance is for implementation (£5,950) and annual license, support and maintenance (£12,348) costs of the Citizens Access Revenues module. The expenditure was approved by this committee In January 2023 and will enable residents to receive e-bills and update their records online, reducing postage and administration costs of the service.</p>	£18,298
<p>The expenditure is initially to be funded from the Council Tax Energy Rebate Reserve.</p>	-£18,298

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows a total underspend of £184,593 to February 2023 of the financial year 2022/23. After allowing for transfers to/from earmarked reserves there is an underspend of £199,830.
- 3.2 £136,351 of the variance is attributable to the Household Support Fund (£69k) and the UK Shared Prosperity Fund (£67k) where grant funds were received after the budgets were estimated. These variances will largely resolve by the end of the financial-year as the accounts are closed down.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF33-23/VT/AC  
20 March 2023

## 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
HSUPF/8982z	Household Support Fund/ LCC - Household Support Fund Grant to Distribute	-95,170	-95,170	-222,000	-126,830	£111k of the variance is due to the receipt of tranche 3 funds under the Household Support Fund grant scheme that were received after the revised estimate was established. The remainder of the variance is unallocated, residual funding remaining from the tranche 2 allocation at the end of the scheme.	The household support fund cost centre variances will resolve by the end of the financial year as grant funds are either allocated to associated expenditures or repaid to LCC.
HSUPF/4691	Household Support Fund/Grants to Individuals – Gift Vouchers	17,900	17,900	85,000	67,100	This budget was established at revised estimate to account for expenditure on food vouchers under Household Support Fund (tranche 2). The variance is expenditure on food vouchers in readiness for claimants under tranche 3.	
HSUPF/8983Z	Household Support Fund/ LCC - Household Support Fund-Admin Support	-9,000	-9,000	-18,000	-9,000	This variance is the allocation of admin grant for administering the Household Support Fund (tranche 3).	The grant will fall to general fund balances net of associated admin costs.

## 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
UKSPF/ 8503z	UK Shared Prosperity Fund/ DLUHC - UKSPF Revenue Grant	0	0	-69,805	-69,805	2022/23 Shared prosperity fund revenue grant that was received after the revenue budgets were set.	A plan is to be submitted to the Department for Levelling Up, Housing and Communities (DLUHC) that sets out how underspends will be utilised during the 2023/24 financial year to allow these funds to be carried forward. As such the variance will resolve at the end of the financial year once accountancy adjustments have been finalised.
CEXEC/ 0100	Chief Executives Department/ Salaries	765,210	694,030	673,792	-20,238	Council staffing budgets at revised estimate assume average vacancy underspends of 2% across the authority on estimated costs. Actual underspends for the period to February within the department have exceeded that built into the budget estimate, mainly due to vacancies within the environmental health section.	Salary budgets will continue to be monitored and final outturn will be reported to committee following the end of the financial year.

## 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
CEXEC/ 3085	Chief Executives Department/ Consultants	73,690	73,690	79,229	5,539	Ongoing expenditure on consultancy services to ensure continuation of the environmental health service during a prolonged period of vacancies.	This expenditure is being funded from associated underspends within the Chief Executive's departmental salary budget (above)
CLOFF/ 2433	Council Offices/ Gas	72,440	38,607	25,881	-12,726	Underspend on the supply of gas at the council offices for the October-December period. Part of the variance results from reduced usage as the winter has been milder than anticipated. The majority of the variance however is a result of the Government Energy Bill Relief Scheme that had not been announced at the time that the council offices revised gas budget estimate was fixed. The scheme has had the effect of reducing the unit cost of gas by 43%.	The budget will underspend this financial year.
CSERV/ 3264	Corporate services/ Ribble Valley News	10,400	9,534	0	-9,534	Preparation for the Ribble Valley News has been put on hold as quotations this year indicate that the cost of printing, producing and delivery of the publication are around 30% higher than the estimate.	Work is currently underway to reassess the council newspaper, Ribble Valley News, including in-house design and a distribution shift to digital channels.

## 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
ELADM/ 2860	Election Administration/ New Burdens Voter ID Costs	8,860	8,122	552	-7,570	Budget established at revised estimate for the expenditure of new burdens grant funding that was received from the government for the costs of implementing changes resulting from the Electoral Integrity Programme.	We are actively now planning for the local elections in May 2023 and orders will be placed for necessary equipment to meet the requirements of the Election Act 2022 shortly.
RESOR/ 0100	Resources Department/ Salaries	1,611,330	1,461,523	1,467,889	6,366	Council staffing budgets at revised estimate assume average vacancy underspends of 2% across the authority on estimated costs. Actual turnover for the period to February within the department overall was lower than that built into the budget estimate.	Salary budgets will continue to be monitored and final outturn will be reported to committee following the end of the financial year.
CLOFF/ 2402	Council Offices/ Repair & Maintenance - Buildings	24,330	21,899	31,965	10,066	Expenditure on routine maintenance and responsive repairs of the council offices on areas including fire, alarm and heating maintenance, replacement lighting and repairs to toilets, doors, windows etc. Expenditure this financial year is higher than the budget set aside.	Expenditure will fall on general fund balances.



## 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
CLTAX/2809	Council Tax/ Non-Recurring Purchases of Equipment etc	0	0	19,719	19,719	<p>£18,300 of the expenditure is for Citizen Access implementation (£5,950) and annual licence, support and maintenance (£12,348) as approved by this Committee in January 2023.</p> <p>The remaining expenditure is for an order placed for leaflets that are to be distributed along with the year-end council tax billing.</p>	<p>The Citizen Access expenditures are to be funded from some of the new burdens funding that has been received since the start of the pandemic. The variance caused by the ordering of the leaflets will resolve by the end of the financial year as costs are recharged.</p>

## 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/ 3166	Corporate services/ Surveys	8,050	6,025	2,025	-4,000	£1k of the variance results from the suspension of the renewal of an annual subscription pending a value for money review. This budget is also available for the cost of carrying out council surveys, the requirements for which have been lower than the budget available this year.
COMPR/ 2991	Computer Services/ Communication Equipment	18,370	18,370	14,571	-3,799	The budget on this code allows for a small element of contingency for any unforeseen costs. To date this has not been needed this year.
LICSE/ 8437u	Licensing/ Premises Licences	-65,000	-61,151	-64,536	-3,385	Income received from fees for issuing premises licences vary depending on the number of new applications received and the number of businesses paying for an annual premises licence during the year. Income received for the year to February is higher than the budget and outturn for the year will be used to inform future estimates.
RESOR/ 1023	Resources Department/ Corporate Training	19,530	17,903	14,844	-3,059	Underspend on the corporate training budget for the period to February. Quotes have been obtained for senior officer refresher training, with online courses planned to be completed before the end of the financial year.

## 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
COMPR/ 2998	Computer Services/ Software Maintenance	53,850	58,030	55,041	-2,989	There are some invoices yet to be charged for the 2022/23 financial year. The budget on this code also allows for a small element of contingency for any unforeseen costs. To date this has not been needed this year.
RESOR/ 1013	Resources Department/ Tuition Fees	7,600	6,967	4,368	-2,599	Requirements for training for the period to February are lower than allowed for within the budget.
CSERV/ 3277	Corporate services/ Promotional Activities	5,540	3,116	524	-2,592	This budget is available to meet the cost of promoting council news and events. Some of the funds are to be expended on various promotional activities over the next few weeks, but it is likely that the majority of this will now fall into the next financial year.
CEXEC/ 0109	Chief Executives Department/ Superannuation Salaries	120,670	109,360	106,890	-2,470	Lower salary expenditure for the period than estimated for the reasons set out at CEXEC/0100 has resulted in associated lower employer superannuation, national insurance and mileage allowance costs within the Chief Executive Department.
CEXEC/ 0108	Chief Executives Department/ National Insurance Salaries	77,860	71,070	68,639	-2,431	
CEXEC/ 2643	Chief Executives Department/ Mileage Allowances	7,500	6,882	4,523	-2,359	
CEXEC/ 3090	Chief Executives Department/ Legal	5,400	4,950	2,623	-2,327	

## 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
ELADM/ 2861	Election Administration/ New Burdens Accessibility Costs	2,550	2,338	0	-2,338	Budget established at revised estimate for the expenditure of new burdens grant funding that was received from the government for the costs of implementing changes resulting from the Electoral Integrity Programme. We are actively now planning for the local elections in May 2023 and orders will be placed for necessary equipment to meet the requirements of the Election Act 2022 shortly.
CLTAX/ 8628z	Council Tax/ DCLG Council Tax Reduc - Family Annexes	-9,160	-9,160	-11,193	-2,033	The grant paid from central government to the council to compensate for council tax reductions (family annexes) discounts is received after the revised budgets are estimated. This years grant allocation is higher than that received in recent years.
UKSPF/ 3085	UK Shared Prosperity Fund/ Consultants	0	0	2,278	2,278	Expenditure on consultants to support the council with creating an investment plan for the UK Shared Prosperity Fund and to hold a workshop. This has been funded out of the £20k capacity funding that was included as part of the first year's grant allocation.

## 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
ESTAT/ 2402	Estates/Repair & Maintenance - Buildings	10,560	10,560	13,443	2,883	Expenditure on the estates cost centre for repairs and maintenance is higher than the budget set aside for the year. Expenditure falls into two categories, firstly on council owned buildings that generate rental income and secondly on areas of land/property where maintenance expenditure is of such an occasional nature that a separate cost centre has not been established. Around £8k of the spend falls into the first category, with the remainder into the second.
RESOR/ 0350	Resources Department/Agency Staff	0	0	3,688	3,688	Expenditure on agency staff engaged to provide support during the budget setting process during the time that a post was vacant within the accountancy section. The expenditure has been funded from underspends on salary costs from the vacant position.