

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 7 NOVEMBER 2023  
 title: REVENUE MONITORING 2023/24  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: VALERIE TAYLOR

### 1 PURPOSE

1.1 To let you know the position for the period April to September 2023 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 taxpayers 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 September. You will see an overall underspend of £340,111 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 £187,583.

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	0	598,348	555,400	-42,948	R
CIVCF	Civic Functions	72,150	37,390	32,715	-4,675	A
CIVST	Civic Suite	0	24,364	19,803	-4,561	A
CLOFF	Council Offices	-6,000	167,869	150,291	-17,578	R
CLTAX	Council Tax	466,810	40,708	47,961	7,253	R
COMPR	Computer Services	0	53,365	48,785	-4,580	A
CORON	Coronation of King Charles	15,610	15,610	22,567	6,957	R
CORPM	Corporate Management	419,620	0	0	0	G
COSDM	Cost of Democracy	607,850	152,480	145,076	-7,404	R
COVID	Covid-19 Response	0	-14,050	-14,050	0	G
CSERV	Corporate services	198,210	13,378	5,158	-8,220	R

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	
CTENP	Council Tax Energy Rebates - Acting as Principal	0	0	-780	-780	G
DISTC	District Elections	180,000	180,000	113,406	-66,594	R
ELADM	Election Administration	36,550	0	2,021	2,021	A
ELECT	Register of Electors	107,080	45,395	36,233	-9,162	R
EMERG	Community Safety	105,650	3,202	3,447	245	G
ESTAT	Estates	108,970	-11,813	-9,925	1,888	G
EVCFS	UKSPF - EV Charging Points Feasibility Study	0	0	875	875	G
FGSUB	Grants & Subscriptions - Policy and Fin	181,110	163,590	92,378	-71,212	R
FMISC	Policy & Finance Miscellaneous	255,010	27,444	54,326	26,882	R
HSUPF	Household Support Fund	0	0	0	0	G
LANDC	Land Charges	22,600	-28,842	-30,585	-1,743	G
LICSE	Licensing	79,810	-42,358	-44,652	-2,294	A
LUNCH	Luncheon Clubs	16,730	4,860	3,700	-1,160	G
NNDRC	National Non Domestic Rates	66,740	8,440	5,932	-2,508	A
PARIS	Parish Elections	0	0	8,741	8,741	R
QPJUB	Queen`s Platinum Jubilee	0	0	804	804	G
RESOR	Resources Department	28,240	1,237,888	1,204,508	-33,380	R
SUPDF	Superannuation Deficiency Payments	99,800	2,306	1,941	-365	G
UKSPF	UK Shared Prosperity Fund - Management and Admin	0	0	-116,610	-116,610	R
	<b>Subtotal</b>	<b>3,062,540</b>	<b>2,679,574</b>	<b>2,339,463</b>	<b>-340,111</b>	
<b>Transfers to/from Earmarked Reserves</b>						
	Cyber Resilience Grant Reserve	-11,210	0	0	0	
	Elections Fund Reserve	-130,000	-180,000	-119,654	60,346	
	Revaluation of Assets Reserve	4,000	0	0	0	
	Performance Reward Grant Reserve	-5,610	-5,610	-5,610	0	
	Parish Grants Reserve	-10,000	-10,000	-10,000	0	
	Community right to bid/ right to challenge	-4,670	0	0	0	
	Custom and Self-Build Register reserve	-14,430	0	0	0	

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
	Audit Reserve	0	0	-16,117	-16,117
	Electoral Integrity Reserve	0	0	-7,436	-7,436
	UK Shared Prosperity Fund Reserve	0	0	115,735	115,735
	<b>Total after Transfers to/from Earmarked Reserves</b>	<b>2,890,620</b>	<b>2,483,964</b>	<b>2,296,381</b>	<b>-187,583</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)	<b>R</b>
Variance between £2,000 and £4,999 (Amber)	<b>A</b>
Variance less than £2,000 (Green)	<b>G</b>

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 The **main** areas of variances that are **unlikely** to rectify themselves by the end of the financial year are shown below:

- **Audit fees (+£13,549)** Overspend of £19k due to additional audit fees charged for work on the 2021/22 statement of accounts and a £10k overspend on the housing benefit grant claim estimate. Partially offset by £16k of grant funds set aside in earmarked reserves for the increased cost of audit fees resulting from the redmond review.
- **Consultancy services (+18,333).** Consultancy expenditure for the period to September to ensure continuation of the environmental health service during a prolonged period of understaffing.
- **Gas and Electricity (-24,270).** Usage is slightly lower than estimated in both areas, but the underspend is mainly because the budget forecast was estimated during the last financial year during a period of extreme price volatility and actual costs are lower than estimated.
- **Canvass postage costs (-5,328).** The number of postages has reduced significantly as the council is now emailing letters where possible.
- **Business rates (+14,356).** Business rates liabilities at the council offices and civic suite buildings are higher than estimated following an increase to the rateable value of the buildings.

- **Software maintenance (+23,442).** Software maintenance costs within the Resources department are £12k higher than estimated on contract renewals due to inflation. The software maintenance budget is also overspent for council tax administration by £11k following the purchase of the Citizen's Access module for one year to allow residents to sign up for council tax e-billing services (following approval by this committee in January 2023).
- **RVBC Grant funds (-70,860).** There is an underspend on the council's voluntary organisation grant fund of £64k and concurrent functions grant fund of £7k. The budgets will be reviewed at revised estimate.

### 3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £340,111 for the April to September period of the financial year 2023/24. After allowing for transfers to/from earmarked reserves there is an underspend of £187,583.
- 3.2 It is important to note that the pay award has yet to be agreed for the year. The budget allows for a 5% pay award and as such is also included in the variations shown above and within the annexes. The latest pay offer which has yet to be agreed equates to a 7% pay award overall, so will likely result in an overspend in this area, reducing the overall underspend shown above at 2.1.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF73-23/VT/AC  
24 October 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
UKSPF/8503z	UK Shared Prosperity Fund - Management and Admin/ DLUHC - UKSPF Revenue Grant	0	0	-116,610	-116,610	UK Shared Prosperity Fund <b>revenue</b> grant funding received for expenditures under year 2 of the council's approved investment plan.	The grant income and associated expenditures will be accounted for in the budgets when they are reviewed at revised estimate. Committee will continue to receive regular reports concerning grant allocations and progress towards the delivery of projects.
HSUPF/8982z	Household Support Fund/LCC - Household Support Fund Grant to Di	0	0	-108,000	-108,000	The council has received half of this year's Household support fund grant allocation (tranche 4) following extension of the scheme to March 2024.	Budgets will be established for the grant funds received and for the associated expenditures at revised estimate.
HSUPF/4691	Household Support Fund/Grants to Individuals – Gift Vouchers	0	0	120,000	120,000	Expenditure on food vouchers that were purchased during the period for distribution to residents qualifying for support under the scheme (approved by this committee in June 2023).	
HSUPF/8983Z	Household Support Fund/LCC - Household Support Fund-Admin Suppo	0	0	-12,000	-12,000	Grant received to help the council with the cost of administering tranche 4 of the Household Support Fund.	

## 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	51,750	-64,060	Voluntary organisation grant allocations for the year are lower than the funds available (March 2023 Policy and Finance Cttee).	The budget will be reviewed at revised estimate.
CEXEC/0100	Chief Executives Department/ Salaries	897,370	448,864	397,310	-51,554	The salary estimates assume a pay award of 5% for the 2023/24 financial year. As the pay award has yet to be agreed this is causing an underspend for the period. The remainder is caused by vacancy underspends that are higher than the 4% turnover estimate built into the budgets, mainly within the environmental health section.	The variance will partly resolve once national pay negotiations have been concluded and backpay is processed. Recruitment is ongoing to fill vacant positions and consultants are being engaged as required (see below).
CEXEC/0108	Chief Executives Department/ National Insurance Salaries	87,690	43,863	37,673	-6,190		
CEXEC/0109	Chief Executives Department/ Superannuation Salaries	122,820	61,434	55,753	-5,681		
CEXEC/3085	Chief Executives Department/ Consultants	0	0	18,333	18,333		

## 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
DISTC/ various	District Elections	180,000	180,000	113,406	-66,594	The cost of running the local council election was lower than the budget available. £22k of the variance is due to timing, with poll card postage costs falling into the 2022/23 year.	As funds for the cost of the local elections are set aside in earmarked reserves the net variance after accounting for movements in reserves is nil.
PARIS/ 2970	Parish Elections/ Printing Ballot Papers	0	0	6,270	6,270	The cost of Parish Council elections are currently stood by this council.	The budgets will be updated at revised estimate and outturn will be used as a basis to inform future estimates.
RESOR/ 0100	Resources Department/ Salaries	1,719,390	860,040	838,778	-21,262	Direct employee budget estimates assume a pay award of 5% for the 2023/24 financial year. The latest pay offer which has yet to be agreed equates to a 7% pay award overall. It is likely therefore there will be an overspend by the end of the year which is due to	Budgets will be updated at revised estimate to reflect any pay award agreed. It is likely this will result in an increase of circa 2% above that allowed for in the budget. Turnover will continue to be monitored against the 4% allowed for.
RESOR/ 0108	Resources Department/ National Insurance Salaries	161,660	80,864	75,764	-5,100	<ul style="list-style-type: none"> <li>• Higher pay award being agreed</li> <li>• Lower turnover than anticipated</li> <li>• Employment of a temporary HR officer</li> </ul> (P&F Committee January 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
FMISC/5021	Policy & Finance Miscellaneous/ Audit Fees	140,500	-18,350	1,126	19,476	Additional external audit fees that have been charged for work on the 2021/22 statement of accounts (following approval by PSAA, the Public Sector Audit Appointments body)	New burdens grant funding of £16k was received last financial year for the anticipated increase in local government audit costs resulting from the Redmond Review. The funds were set aside in earmarked reserves and will be released to partially offset this year's overspend. Further grant funding may be announced later on in the financial year and the position will be reviewed at revised estimate.
FMISC/5025	Policy & Finance Miscellaneous/ Audit Fees - Grants	23,620	23,620	33,810	10,190	The 2022/23 external audit fee for audit of the housing benefit grant claim is higher than the budget estimate.	
CLOFF/2433	Council Offices/ Gas	113,380	21,410	6,275	-15,135	The estimated cost of gas and electricity for this year's budgets were based on market forecasts during the last financial year at a time of extreme price volatility.	The budgets are highly likely to underspend this financial year and will be updated following review at revised estimate.
CLOFF/2432	Council Offices/ Electricity	103,550	41,300	32,165	-9,135	Actual unit costs this year are below that estimated resulting in the majority of the underspends shown for the period.	



## 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
ELECT/ 2981	Register of Electors/ Postages	24,660	21,330	16,002	-5,328	The number of postages for the annual canvass has reduced significantly as the council is now utilising electronic means where possible.	The budgets will be updated at revised estimate and reduced numbers of postages will be built into future budgets.
ELADM/ 8504z	Election Administration/ DLUHC - Electoral Integrity Programme	-23,330	-23,330	-30,174	-6,844	Grant funding received from central government and associated cost of implementing Voter ID and Accessibility changes brought about from the Elections Act.	The net overspend will be met from electoral integrity grant funding received during 2022/23 and set aside in earmarked reserves. Budgets will be established at revised estimate.
ELADM/ 2860	Election Administration/ New Burdens Voter ID Costs	18,120	18,120	23,333	5,213		
ELADM/ 2861	Election Administration/ New Burdens Accessibility Costs	5,210	5,210	10,845	5,635		
FGSUB/ 4669	Grants & Subscriptions - Policy and Fin/Concurrent Functions Grant Scheme	33,200	33,200	26,400	-6,800	The cost of claims under the council's concurrent function grant scheme is lower than the budget available.	The budget will be reviewed at revised estimate.

## 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
RESOR/ 1023	Resources Department/ Corporate Training	14,730	7,368	1,402	-5,966	Underspend on the corporate training budget for the period to September. This is expected to largely resolve as the financial year progresses and orders are placed for planned training in the areas of diversity, equality and recruitment and selection processes.	The budget will be reviewed at revised estimate.
CSERV/ 3264	Corporate services/ Ribble Valley News	11,180	5,592	0	-5,592	Publication of the council newspaper has been on hold pending the outcome of a review of design and possible shift to digital channels. The review has now been completed and future editions of the newspaper are to be produced in both a digital and a print format.	Costings for the print edition of the newspaper are currently being obtained. As these are expected to be considerably higher than in the past, the budgets will need to be reviewed and updated accordingly at revised estimate.
CORO/ 4677	Coronation of King Charles/ Grants to Precepting Bodies	10,000	10,000	16,500	6,500	Grants paid to Parish and Town council's to celebrate the King's Coronation (Policy and Finance Committee March 2023).	£10k of the expenditure is to be funded from earmarked reserves. The remainder is to be brought into the Revised Estimate when estimates are updated later on in 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
CLTAX/2998	Council Tax/ Software Maintenance	20,240	20,240	31,313	11,073	There has been an annual charge of £12k for use of the Citizen's Access module to enable residents to sign up for council tax e-billing services (Policy and Finance Committee Jan 2023)	The budget will be reviewed and updated at revised estimate.
CLOFF/2451	Council Offices/ National Non - Domestic Rates	67,420	67,420	79,770	12,350	There has been an increase in the rateable value of the Council Offices building.	The budget will be updated at revised estimate.
RESOR/2998	Resources Department/ Software Maintenance	124,500	85,000	97,369	12,369	Year on year inflationary increases to existing departmental software maintenance contracts have been higher than estimated.	The budget will be reviewed and updated 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
RESOR/0109	Resources Department/ Superannuation Salaries	249,540	124,820	119,902	-4,918	Underspend on employer's superannuation costs for the reasons set out under red variance RESOR/0100
RESOR/8583z	Resources Department/ Rechargeable Works (Non - VATable)	0	0	-3,878	-3,878	Accounting adjustment to charge the cost of officer time that was spent promoting awareness of Voter ID changes against new burdens grant funding received.
COSDM/3033	Cost of Democracy/ Basic Allowance	173,040	86,554	82,742	-3,812	The budget for member's allowances assumes a 5% increase this year in line with the inflation estimate brought into officer salary budgets. The annual increase will be reviewed following completion of national pay negotiations for officer pay.
ESTAT/8803l	Estates/ Office Rents	-9,000	-4,500	-7,500	-3,000	Higher rental income than estimated due to the receipt of £7.5k for a new rental agreement from this financial year. To be brought into the budgets at revised estimate.
ELADM/2881	Election Administration/ Purchase of Equipment & Materials	0	0	-2,493	-2,493	Accounting adjustment to charge the cost of new elections equipment to new burdens grant 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
CEXEC/2643	Chief Executives Department/ Mileage Allowances	10,000	5,014	2,742	-2,272	Lower expenses claims from employees for the cost of mileage than allowed for within the budget, mainly due to vacancies within the environmental health section.
RESOR/1013	Resources Department/ Tuition Fees	7,930	3,966	1,853	-2,113	Expenditure on training/tuition fees is lower than the budget for the period to September. Qualification training that was being funded from this budget last financial year has now been completed and the apprenticeship levy is being utilised where possible. Performance appraisals are currently being rolled out across the department and the budget will be utilised to fund training requirements identified if required.
CIVCF/0100	Civic Functions/ Salaries	12,410	6,206	4,141	-2,065	A vacancy and temporary reduction to contracted hours has created an underspend for the period.
CIVST/2451	Civic Suite/ National Non-Domestic Rates	10,980	10,980	12,986	2,006	There has been an increase to the rateable value of the Civic Suite building
ESTAT/3049	Estates/ Estate Agents and Other Marketing Fees	0	0	2,550	2,550	Estate agent fees for marketing two properties that have now been let.

## 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
CEXEC/8975l	Chief Executives Department/ Land and Property Legal Fees	-6,550	-3,276	0	3,276	No invoices raised during the period for property related legal work. We are expecting invoices to be raised in the next quarter.
CEXEC/8402z	Chief Executives Department/ Legal Fees	-9,570	-4,788	-449	4,339	Income for preparing S106 agreements was outsourced during a period of staff vacancies. The work is now being brought back in house progressively following recruitment of a lawyer into a vacant post.
RESOR/1020	Resources Department/ Advertising	450	228	5,122	4,894	Overspend on the budget available for the cost of recruitment advertising that has been funded from salary underspends on the vacant position.