

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 10 SEPTEMBER 2024
 title: REVENUE MONITORING 2024/25
 submitted by: DIRECTOR OF RESOURCES & DEPUTY CHIEF EXECUTIVE
 principal author: VALERIE TAYLOR

1 PURPOSE

1.1 To let you know the position for the period April to July 2024 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. You will see an overall underspend of £153,142 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 £163,962.

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	436,368	439,637	3,269	A
CIVCF	Civic Functions	69,550	26,827	25,738	-1,089	G
CIVST	Civic Suite	5,000	30,899	32,524	1,625	G
CLOFF	Council Offices	-5,000	137,676	125,615	-12,061	R
CLTAX	Council Tax	530,510	47,082	45,854	-1,228	G
COMPR	Computer Services	0	82,834	71,094	-11,740	R
CORPM	Corporate Management	428,460	0	0	0	G
COSDM	Cost of Democracy	633,200	108,276	105,466	-2,810	A
COVID	Covid-19 Response	0	-14,050	-14,050	0	G
CSERV	Corporate services	219,850	12,779	6,458	-6,321	R
DISTC	District Elections	0	0	-539	-539	G

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	
ELADM	Election Administration	34,090	0	-10,693	-10,693	R
ELECT	Register of Electors	111,860	36,473	37,290	817	G
EMERG	Community Safety	98,540	2,606	3,667	1,061	G
ESTAT	Estates	76,250	-46,600	-36,370	10,230	R
FGSUB	Grants & Subscriptions - Policy and Fin	187,130	130,610	82,514	-48,096	R
FMISC	Policy & Finance Miscellaneous	289,110	-56,677	-58,526	-1,849	G
HSUPF	Household Support Fund	0	0	-56,379	-56,379	R
LANDC	Land Charges	29,250	-19,417	-20,003	-586	G
LICSE	Licensing	94,540	-11,584	-13,336	-1,752	G
LUNCH	Luncheon Clubs	20,420	3,238	2,050	-1,188	G
NNDRC	National Non Domestic Rates	53,180	7,362	6,209	-1,153	G
PARIS	Parish Elections	0	0	11,294	11,294	R
RESOR	Resources Department	0	955,681	950,965	-4,716	A
SUPDF	Superannuation Deficiency Payments	106,570	22,853	21,764	-1,089	G
UKSPF	UK Shared Prosperity Fund - Management and Admin	48,640	-63,826	-81,974	-18,148	R
	Sum	3,031,150	1,829,410	1,676,268	-153,142	
Transfers to/from Earmarked Reserves						
	Elections Fund Reserve	50,000	0	0	0	
	Revaluation of Assets Reserve	-12,000	0	0	0	
	Cyber Resilience Reserve	-11,210	0	0	0	
	Community right to bid/ right to challenge	550	-3,950	-3,800	150	
	Custom and Self-Build Register reserve	-9,620	-9,620	-9,600	20	
	Equipment Reserve	0	0	-10,990	-10,990	
	Total after Transfers to/from Earmarked Reserves	3,048,870	1,815,840	1,651,878	-163,962	

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 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:

Description	Variance to end July 2024 £
<p>UK Shared Prosperity Fund – direct employee costs Underspend on the budget available to engage a temporary officer to help administer the UK Shared Prosperity Fund scheme because work is being managed within existing resources.</p> <p>Salary forecasts will be reviewed and updated at revised estimate.</p>	-16,224
<p>Grant Funds The majority of the variance for this committee for the period to July is the balance of various grant schemes:</p> <ul style="list-style-type: none"> Household Support Fund (Tranche 5) - £56,379 (including £9k for administration costs) RVBC Voluntary Organisation Grant Fund - £47,710 remaining after accounting for 2024/25 allocations Elections Act new burdens funding - £9,829 remaining after allocations during the period <p>Whilst net variances may decrease as the year progresses both the income and expenditure budgets will require updating at the revised budget estimates.</p>	-113,918

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £153,142 for the April to July period of the financial year 2024/25. After allowing for transfers to/from earmarked reserves there is an underspend of £163,962.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES AND
DEPUTY CHIEF EXECUTIVE

PF45-24/VT/AC
27 August 2024

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	0	0	-107,069	-107,069	The council has received this year's Household support fund grant allocation (tranche 5) following extension of the scheme to September 2024.	The net underspend will resolve as the financial year progresses. Budgets will be established at revised estimate.
HSUPF/ 4691	Household Support Fund/Grants to Individuals - Gift Vouchers	0	0	60,000	60,000	Expenditure on food vouchers for distribution to residents qualifying for support under the scheme (approved by this committee in April 2024).	
HSUPF/ 8983Z	Household Support Fund/LCC - Household Support Fund-Admin Support	0	0	-9,310	-9,310	Grant received to help the council with the cost of administering tranche 5 of the Household Support Fund.	A budget to account for the income will be established at revised estimate 2024/25.
FGSUB/ 4678	Grants & Subscriptions - Policy and Fin/Grants to Voluntary, Comm & Soc Ent Orgs	115,810	115,810	68,100	-47,710	Voluntary organisation grant allocations for the year are lower than the funds available (April 2024 Policy and Finance Cttee).	The forecast for the year will be updated at the draft revised estimate
ELADM/ 8504z	Election Administration/DLUH C - Electoral Integrity Programme	0	0	-15,214	-15,214	Grant funds have been received to help the council with the costs of implementing electoral integrity programme changes due to the Elections Act 2022.	A budget to account for the income will be established at revised estimate 2024/25.

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/0100	UK Shared Prosperity Fund - Management and Admin/Salaries	38,830	12,952	0	-12,952	Additional, non-recurring budget was approved for the 2024/25 financial year for recruitment of a temporary officer to help administer the UK Shared Prosperity Fund scheme. This work is being managed within existing resources.	The budget will be reviewed at revised estimate
COMPR/2991	Computer Services/ Communication Equipment	20,500	17,540	8,078	-9,462	The annual invoice for internet connection at the council offices is usually charged for a twelve-month period, with six months being paid in advance of the next financial year. This year's invoice is for connection to March 2024 only, bringing about an underspend of £8k when compared to the original budget estimate. The remainder is an underspend on the element of the budget that is available as a contingency for unplanned expenditures.	Some of this variance will be used as a virement to code COMPR/2998 (see amber variances). The remainder will be kept as a contingency and the position will be reviewed at the Revised Estimate review

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/0100	Chief Executives Department/ Salaries	937,780	300,560	292,659	-7,901	Salary underspend within the Chief Executive's Department that is mainly due to vacancies within the environmental health section.	A full review of salary estimates will be undertaken and budget forecasts updated at revised estimate 2024/25.
CLOFF/2432	Council Offices/ Electricity	70,760	17,202	9,626	-7,576	Underspend on electricity for usage to June, mainly because the unit cost of electricity is lower than originally estimated. The budget for this year was reduced by £6k for estimated savings from the installation of energy efficient LED lighting at the council offices. Actual usage underspends are around £1k higher than estimated for the first quarter.	Estimated costs for the year will be updated at the draft revised budget estimate to adjust for actual variable/fixed costs and usage variances.
RESOR/0100	Resources Department/ Salaries	1,844,050	591,019	585,458	-5,561	Salary estimates at the original budget assume that vacancies during the year will create overall budget underspends of 4% across the council. Underspends within the Resources Department have exceeded this estimate for the period to July.	A full review of salary estimates will be undertaken and budget forecasts updated at revised estimate 2024/25.

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
ESTAT/ 8803I	Estates/ Building Rents (exempt)	-19,000	-19,000	-10,000	9,000	The original budget includes an estimate that a council owned property would be let by April 2024. Unfortunately negotiations fell through and the council is now negotiating with a new prospective tenant.	The variance will reduce if the property is let later on in the financial year. The budget estimate will be updated to the latest position when budgets are reviewed for the revised estimate 2024/25.
RESOR/ 0130	Resources Department/ Temporary Staff	0	0	9,221	9,221	Expenditure on temporary staffing within the resources department, due to post vacancies and difficulties in recruiting.	Funded from direct employee cost underspends set aside in earmarked reserves during the 2023/24 financial year.
CEXEC/ 3085	Chief Executives Department/ Consultants	0	0	11,668	11,668	Consultancy expenditure for the period to July to ensure continuation of the environmental health section during a prolonged period of understaffing.	The expenditure is being funded from associated salary, national insurance and superannuation underspends on the vacant posts.

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	11,630	3,876	0	-3,876	The plan is to re-introduce publication of the council newspaper twice a year (approx. September and March) in both print and digital format to provide a range of communications options to suit residents' preferences. Given the very short timeframe, the next edition will be spring 2025 and therefore there is expected to be some underspend at the end of the financial year (the exact amount is uncertain given there may be some unknown one-off additional digital edition costs).
CLOFF/ 2433	Council Offices/ Gas	42,980	6,464	3,428	-3,036	Underspend on gas for usage to May, mainly because the unit cost of gas is lower than estimated.

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	9,000	3,000	0	-3,000	<p>A number of in-house surveys and consultations have been undertaken this financial year including:</p> <ul style="list-style-type: none"> • 2024 Staff Survey • Salthill Play Area Survey • Cumulative Impact Assessment – an initial study relating to licensed premises in Whalley • RVBC Communications Survey – this survey has been developed and is due to be launched in September 2024. <p>As all work to date has been carried out in-house the original revenue budget available for external support has not yet been required. Research and development work may start on the next biennial Residents / Perception survey in early 2025. It is likely that this work will be commissioned and outsourced to an external Research company.</p>
CEXEC/ 6002	Chief Executives Department/ Car Leasing Repayments	16,500	20,030	17,065	-2,966	Underspend following termination of a lease vehicle contract.

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
PARIS/2974	Parish Elections/ Printing Poll Cards - Elections	0	0	2,057	2,057	Poll card, printing and stationery cost of Ribble Valley by-elections.
PARIS/2975	Parish Elections/ Printing and Stationery - Postal Votes	0	0	3,719	3,719	
CEXEC/8402z	Chief Executives Department/ Legal Fees	-8,000	-2,668	-570	2,098	The variance is mainly because the amount of income generated from preparing S106 agreements is lower than the budget estimate. This is linked to the number of major planning applications received.
COMPR/2998	Computer Services/ Software Maintenance	61,390	36,240	38,454	2,214	This relates to some unplanned extended support on some software. It is planned to undertake a virement from the COMPR/2991 code to negate this variance.
CEXEC/0101	Chief Executives Department/ Salaries Overtime	1,260	405	2,707	2,302	Overspend on overtime during the period that is mainly due to additional hours worked within the elections team on updating the electoral register in advance of the general election.
ESTAT/3055	Estates/Asset Valuation Fees	0	0	2,500	2,500	Overspend on the original budget estimate due to the timing of the valuation of some council owned land. A budget was approved at revised estimate 2023/24, but the work wasn't carried out until the new 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
ELADM/ 2862	Election Administration /New Burdens OAVA and PPVR and Overseas	0	0	4,575	4,575	Expenditure on implementing changes that are a result of the Electoral Integrity Programme (funded from new burdens grant at red variance ELADM/8504z)