

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ECONOMIC DEVELOPMENT COMMITTEE

meeting date: 31 OCTOBER 2024
 title: REVENUE MONITORING 2024/25
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 To report on the progress of this Committee's 2024/25 revenue budget as at the end of September 2024.

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.
- Other Considerations – none identified.

2 REVENUE MONITORING 2024/25

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate budget for the period to the end of September 2024. You will see an overall overspend of £45,087 on the net cost of services. Please note that underspends and additional income are denoted by figures with a minus symbol.

Cost Centre	Cost Centre Name	Net Budget for the full year	Budget to the end of September 2024	Actual including commitments to the end of September 2024	Variance	
ALBNM	Albion Mill	3,610	5,950	59,200	53,250	R
CFDFE	Clitheroe Food Festival 2024	26,090	28,971	14,621	-14,350	R
INDDV	Economic Development	162,570	4,044	6,175	2,131	A
TURSM	Tourism and Events	140,370	17,218	21,274	4,056	A
Total Economic Development Committee		332,640	56,183	101,270	45,087	

Key to Variance shading	
Variance of £5,000 or more (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

2.2 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.

2.3 The main variances between budget and actual on individual budget codes within cost centres have also been highlighted and explained, as follows:

- Red budget code variances (£5,000 or more) are shown with the budget holder's comments and agreed actions in Annex 1.
- Amber budget code variances (£2,000 to £4,999) are shown with the budget holder's comments in Annex 2.

2.4 The main areas of variance which are **unlikely** to rectify themselves by the end of the financial year are summarised below:

Description	Variance to the end of September 2024 £
<p>Albion Mill (ALBNM) Land Rents Income and National Non-Domestic Rates – Two of the five units at Albion Mill have been vacant between April and September 2024, creating lost rent income of approximately £7,870, and a half yearly liability for National Non-Domestic Rates (NNDR) of £3,602.</p> <p><i>Note – The rent income amount stated above is part of the Albion Mill land rents income under-recovery to date of £45,974. There is a risk that some of the other amounts within this overall figure may not be received, such as £26,294 of rent arrears carried forward from previous years that have been difficult to collect so far.</i></p>	11,472
<p>Clitheroe Food Festival 2024 (CFDFE) Income – Stallholder income received for the 2024 festival was £7,399 higher than budgeted for. In addition, no sponsorship income was budgeted for but £6,250 of sponsorship income has been received so far.</p>	-13,649
<p>Clitheroe Food Festival 2024 (CFDFE) Security Costs – There was an increase in the cost of the standard security provided at the 2024 festival when compared to previous years and some extra security was ordered just prior to the start of this year's festival to help cover concerns of any disturbances, in the context of the riots and unrest taking place across the UK in August 2024.</p>	2,324
<p>Economic Development (INDDV) Third Party Contribution in respect of LEF Funding - The Council applied for and successfully obtained a £40,000 grant contribution from the Lancashire Environmental Fund (LEF) towards the cost of the Longridge Pump Track capital scheme. As part of LEF's funding model, each grant recipient has to agree to pay a specified one-off contribution to the Landfill Communities Fund (LCF) and the amount which had to be paid by the Council in this case was £4,400.</p>	4,400

3 CONCLUSION

- 3.1 The comparison between actual expenditure and the original estimate budget for this Committee for the period to the end of September 2024 shows an overspend of £45,087.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES AND
DEPUTY CHIEF EXECUTIVE

ED9-24/AC/AC
18 OCTOBER 2024

BACKGROUND PAPERS: None
For further information please ask for Andrew Cook

Economic Development Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of September 2024	Actual including commitments to the end of September 2024	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ALBNM/8805I	Albion Mill/Land Rents	-39,360	-19,680	26,294	45,974	<p>This income stream represents the lease income from the tenants of the five units, which is collected on behalf of the Council by a property management company. The under-recovery of income of £45,974 at the end of September 2024 is due to the following:</p> <ul style="list-style-type: none"> - Rent arrears of £26,294 carried forward at the end of the 2023/24 financial year are still to be collected – this is the reason for the +£26,294 position shown as an actual. One tenant accounts for a significant proportion of these arrears and they have been difficult to collect so far. - Budgeted income to the end of September 2024 was £19,680 and none of this income has been received so far. We are awaiting an update from the property management company on the income due to the Council for the units. Two units (2 and 3) are vacant and renewal leases, dating back to November 2023, need to be agreed with the existing tenants in the other three units. At this point in time, proposed new tenants are said to be ready to take on the two vacant units and valuation information is awaited from the property management company to determine the updated rent amounts to be included in the new and renewal leases. 	<p>Council officers are in regular dialogue with the property management company to try to obtain income due to the Council, to obtain the information to facilitate the new and renewal leases and also to agree the way forward on recovery of the long-term arrears. The latest rent income position will be reviewed and the rent income budget will be updated at revised estimate stage.</p>

Economic Development Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of September 2024	Actual including commitments to the end of September 2024	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ALBNM/2451	Albion Mill/National Non-Domestic Rates	0	0	7,204	7,204	Units 2 and 3 at Albion Mill have been vacant since 1 May 2023, so the NNDR liability falls on the Council. A 6-month exemption from NNDR was applied in 2023/24 but expired in November 2023. Since then, the Council has been liable for the NNDR. The charge shown here represents a full year charge for 2024/25. At this point in time, proposed new tenants are said to be ready to take on the two vacant units. Should new tenants be confirmed before financial year-end then a refund will be issued to the Council for the period in-year when the units were let.	Council officers are in regular dialogue with the property management company that manages the units on behalf of the Council to try to obtain the information to facilitate the agreement of the new leases for units 2 and 3. The latest lease position for units 2 and 3 and the consequential NNDR liability will be confirmed and the budget updated accordingly at revised estimate stage.
CFDFE/8827n	Clitheroe Food Festival 2024/Food Festival Stalls (VATable)	-17,080	-17,080	-24,479	-7,399	The stall income budget for the 2024 food festival was set on a prudent basis and was set below the income attained in 2023 (£20K). Therefore, part of the variance is due to the prudent nature of the budget, part due to marginal increases to the number of stalls let and part due to the increases applied to the stallholder fees for 2024.	The stalls income budget will be updated at revised estimate stage.

Economic Development Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of September 2024	Actual including commitments to the end of September 2024	Variance	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CFDFE/8828n	Clitheroe Food Festival 2024/Food Festival Sponsorship	0	0	-6,250	-6,250	No sponsorship income was allowed for within the original estimate budget for the food festival. However, sponsorship income of £6,250 has been achieved so far.	The sponsorship income budget will be updated at revised estimate stage.
TURSM/3263	Tourism and Events/Publicity	22,310	11,158	16,614	5,456	There are two main reasons for the overspend to date. Firstly, £2,620 relates to the cost of repairs to a van rented for a trade fair that was broken into. An insurance claim has been submitted and it is expected that this will cover at least some of the repair costs. Secondly, expenditure of £2,028 on graphic design work and photography initially planned for 2023/24 did not take place until 2024/25.	Some partnership income for contributions to visitor guides and trade fairs costs, not currently budgeted for, will be raised in-year to support additional publicity spend required above the current budget set, as in previous years. The publicity spend and related partnership income budgets will be reviewed and updated if necessary at revised estimate stage.

Economic Development Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of September 2024	Actual including commitments to the end of September 2024	Variance	Reason for Variance
CFDFE/3305	Clitheroe Food Festival 2024/Security	2,920	2,920	5,244	2,324	The previous year's food festival security provider did not quote for the work in 2024. As a result, similar security procured in 2024 was at a higher cost. In addition, some extra security was ordered just prior to the start of this year's festival to help cover concerns of any disturbances, in the context of the riots and unrest taking place across the UK in August 2024.
INDDV/4367	Economic Development/Third Party Contribution in respect of LEF Funding	0	0	4,400	4,400	The Council applied for and successfully obtained a £40,000 grant contribution from the Lancashire Environmental Fund (LEF) towards the cost of the Longridge Pump Track capital scheme. As part of LEF's funding model, each grant recipient has to agree to pay a specified contribution to the Landfill Communities Fund (LCF) and the amount which had to be paid by the Council in this case was £4,400. The payment was not envisaged at original estimate budget stage.
TURSM/0130	Tourism and Events/Temporary Staff	2,210	1,106	3,314	2,208	It is currently estimated that around £2,500 of the tourism temporary staff costs incurred so far in 2024/25 are for work related to the Ribble Valley website project that is being funded by the UK Shared Prosperity Fund in 2024/25. Therefore, this overspend to date will disappear once the actual costs are confirmed and transferred to the website project cost centre.

Economic Development Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of September 2024	Actual including commitments to the end of September 2024	Variance	Reason for Variance
TURSM/2981	Tourism and Events/Postages	5,390	2,696	8	-2,688	Approximately £1,250 of postage costs to date for the distribution of tourism guides and information has been charged to the Economic Development and Planning departmental cost centre postages budget rather than this cost centre. The actual costs will be confirmed in the near future and transferred to this cost centre's postages budget. In addition, more distribution of tourism guides and information is expected to take place later in 2024/25, which means the full year budget is likely to be spent.