

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 30 MARCH 2021
 title: REVENUE MONITORING 2020/21
 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 2021 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 £79,471 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 £78,526

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	960,375	939,044	-21,331	R
CIARA	Storm Ciara Response	2,000	4,500	4,840	340	G
CIVCF	Civic Functions	40,680	27,397	25,650	-1,747	G
CIVST	Civic Suite	0	24,509	22,863	-1,646	G
CLOFF	Council Offices	0	198,126	197,205	-921	G
CLTAX	Council Tax	395,430	50,214	45,410	-4,804	R
COMPR	Computer Services	0	121,175	120,040	-1,135	G
CORPM	Corporate Management	356,270	0	0	0	G
COSDM	Cost of Democracy	483,220	245,777	244,961	-816	G
CSERV	Corporate services	157,170	12,575	9,821	-2,754	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	
ELADM	Election Administration	32,090	0	0	0	G
ELECT	Register of Electors	93,140	49,769	42,133	-7,636	R
EMERG	Community Safety	66,410	7,280	4,296	-2,984	A
ERNET	Emergency Radio Network	300	63	-1,200	-1,263	G
ESTAT	Estates	53,620	-30,597	-29,594	1,003	G
FGSUB	Grants & Subscriptions - Policy and Fin	160,740	139,290	136,508	-2,782	A
FMISC	Policy & Finance Miscellaneous	108,310	68,030	77,670	9,640	R
LANDC	Land Charges	-5,430	-76,373	-83,376	-7,003	R
LICSE	Licensing	46,690	-66,300	-67,049	-749	G
LUNCH	Luncheon Clubs	16,050	12,559	0	-12,559	R
NNDRC	National Non Domestic Rates	53,710	-20,079	-21,608	-1,529	G
PARGR	Parish Council Grants	1,940	1,940	1,939	-1	G
RESOR	Resources Department	0	1,866,925	1,848,692	-18,233	R
SUPDF	Superannuation Deficiency Payments	92,920	80,394	79,831	-563	G
Sum:		2,155,260	3,677,549	3,598,078	-79,471	
Transfers to/from Earmarked Reserves						
	Election Reserve	30,000	0	0	0	
	Revaluation of Assets Reserve	2,190	0	0	0	
	Cyber Resilience Reserve	3,000	3,000	3,000	0	
	Local Council Tax Support Reserve	-1,600	-1,600	-1,600	0	
	VAT Shelter Reserve	6,410	0	0	0	
	Repairs and Maintenance Reserve	-27,950	-27,950	-27,992	-42	
	Invest to Save Fund	5,510	5,510	5,510	0	
	Equipment Reserve	-17,190	-17,125	-17,407	-282	
	Parish Grants Reserve	-1,940	-1,940	-1,939	1	
	Flood Resilience Reserve	-2,000	-2,000	-2,000	0	
	Business Rates Growth Reserve	-29,750	-29,750	-29,745	5	

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
	Two Way Radio Reserve	-300	-63	1,200	1,263
	Total after Transfers to/from Earmarked Reserves	2,121,640	3,605,631	3,527,105	-78,526

- 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 In summary the **main** areas of variances that are **unlikely** to rectify themselves by the end of the financial year is shown below:

Description	Variance to end February 2021 £
<p><u>Training/ Tuition</u> Budgets have underspent within the Chief Executive department (-£2,621), Resources department (-£3,065) and Corporate training cost centre (-£7,524) for the period to February and it is highly likely that the budgets will not be fully expended before the end of the financial year. The underspends have occurred because professional qualification training being undertaken by several officers within the Resources department is being funded through the apprenticeship levy and opportunities for ad-hoc training within all cost centres have reduced this year as a result of coronavirus social distancing rules.</p> <p>A review of training room equipment is currently being carried out at the Council Offices and Salthill Depot sites with a view to updating equipment used to facilitate corporate training and virtual workshops/ seminars.</p>	-13,210

Description	Variance to end February 2021 £
Whilst an appointment has been made to meet a potential supplier in March to discuss options, any possible procurement would be subject to an ICT feasibility study prior to placing an order. It is therefore likely that any expenditure will fall into the 2021/22 financial year. The underspend position will be further reviewed at year-end.	
<p><u>Luncheon Clubs (LUNCH)</u> As luncheon clubs haven't been meeting this year because of the coronavirus pandemic no grant support was paid for the period to February. There is a budget of £13,700 available for the whole of the current financial year and whilst a small grant payment of £120 was processed to one club in March the budget is expected to be largely unspent by the end of the year.</p>	-£12,559

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an underspend of £79,471 to February 2021 of the financial year 2020/21. After allowing for transfers to/from earmarked reserves there is an underspend of £78,526.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF20-21/LO/AC
18 March 2021

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
LUNCH/4678	Luncheon Clubs/ Grants to Voluntary, Comm & Soc Ent Orgs	13,700	12,559	0	-12,559	Luncheon Clubs have not been meeting this year because of the pandemic, and as a result the budget provision set aside to support clubs has not been required for the period to February.	The budget will underspend this year. It is expected that applications for support will once again be received in the new financial year when lockdown restrictions are lifted.
CEXEC/0100	Chief Executives Department/ Salaries	776,610	703,520	693,577	-9,943	Council staffing budgets at revised estimate assume an average vacancy saving of 2% across the authority on estimated costs. Actual salary savings within the Chief Executive Department during the period were in excess of this by a total of £9k to February.	Salary budgets will continue to be monitored and final outturn will be reported to committee following the end of the financial year.
RESOR/1023	Resources Department/ Corporate Training	14,240	13,054	5,530	-7,524	Group corporate training has not been undertaken this financial year because of COVID-19 social distancing requirements.	A review of training room equipment is currently being carried out at the council offices and Salthill Depot with a view to updating equipment used to facilitate corporate training and virtual workshops/ seminars.

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	22,340	21,283	14,942	-6,341	The Cabinet Office introduced changes to the annual canvass process from this financial year that have reduced the number of Household Enquiry Form reminders that are posted out. Postage cost savings from the reform are exceeding those estimated at revised estimate when the budget was reduced down from £29k.	The budget is likely to underspend this year. The final outturn will be used to inform future budget estimates.
LANDC/8408n	Land Charges/ Search Fee (Vatable)	-78,960	-73,310	-79,178	-5,868	Land charges income received this financial year is higher than average. This is likely due to an increase in house sales following on from the government's decision to temporarily increase the stamp duty threshold from July 2020 to limit the impact of the coronavirus pandemic on the housing market.	Income received this year in excess of the budget estimate will be added to general fund balances.
FMISC/5029	Policy & Finance Miscellaneous/ Credit/Debit Card Fees	22,370	18,641	23,975	5,334	The council has been overcharged for card payment processing services this year following an error by the council's card services provider.	A refund is currently being processed and the budget will continue to be monitored.

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/8772z	Chief Executives Department/ Debtors - Interest	0	0	-4,557	-4,557	Due to court action taken against a sundry debtor for an unpaid debt. As the principal debt was outstanding for a number of years accrued interest costs of £4.5k have now been charged.
RESOR/1013	Resources Department/ Tuition Fees	7,240	6,635	3,570	-3,065	Professional qualification training being undertaken by four officers within the Resources Department is being funded through the apprenticeship levy. Opportunities for ad-hoc training have reduced this year as a result of the coronavirus pandemic and social distancing rules.
EMERG/2881	Community Safety/ Purchase of Equipment & Materials	5,520	5,066	2,402	-2,664	A business continuity software update, associated system training and a business continuity exercise have all been postponed until the next financial year as a result of the coronavirus pandemic. Responsive expenditure funded from this budget, for example in the event of inclement weather, has also not been required for the period to February.
CEXEC/1013	Chief Executives Department/ Tuition Fees	5,930	5,436	2,815	-2,621	Training opportunities have reduced this year as a result of the coronavirus pandemic and social distancing rules which has brought about an underspend of £2.6k to February.

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/2961	Resources Department/ Protective Clothing	2,370	2,173	0	-2,173	The budget set aside for the biennial replacement of contact centre staff uniforms has not been required this year due to the temporary closure of the council offices. Requirements for replacement/new uniforms will be assessed early in the 2021/22 financial year in advance of the offices re-opening.
FMISC/3085	Policy & Finance Miscellaneous/ Consultants	0	0	4,500	4,500	Cost of engaging consultants to undertake a desktop revaluation of the council's assets. Annual estimate to be brought into the base budget for 2021/22.