

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No

meeting date: 17 NOVEMBER 2011
 title: REVENUE MONITORING 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: NEIL SANDIFORD

1 PURPOSE

1.1 To report the position for the period April to October of this year's revenue budget as far as this committee is concerned.

1.2 Relevance to the Council's ambitions and priorities:

- ❖ In accordance with the overarching corporate priority of the council where one of our objectives is *'to maintain critical financial management and controls, and ensure the authority provides council tax payers with value for money'*. This report provides members with information to ensure that budget allocation and expenditure is in line with corporate priorities.

2 FINANCIAL INFORMATION

2.1 Shown below by cost centre, is a comparison between actual expenditure and the original estimate for the period. You will see a net overspend of £9,271 on the cost of services.

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 £	
CTBEN	Council Tax Benefit Administration	46,010	-52,280	-60,039	-7,759	R
HGBEN	Housing Benefits	116,770	-412,607	-387,257	25,350	R
COMNL	Common Land	9,150	671	34	-637	G
CLCEM	Clitheroe Cemetery	46,220	9,153	14,501	5,348	R
ENVGR	Grants & Subscriptions - Health & Hsng	1,260	350	0	-350	G
CLAIR	Clean Air	6,050	914	1,395	481	G
DOGWD	Dog Warden & Pest Control	96,840	11,266	5,890	-5,376	R
ENVHT	Environmental Health Services	297,210	-4,498	-5,929	-1,431	G
CLAND	Contaminated Land	5,570	915	0	915	G
HSASS	Housing Associations	13,630	0	0	0	G
HSADV	Housing Advances	620	200	150	-50	G
SUPPE	Supporting People	4,410	30	2,178	2,148	A
CLMKT	Clitheroe Market	-24,690	-94,910	-69,846	5,064	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 £	
JARMS	Joiners Arms	10,360	1,277	-4,477	-5,754	R
HOMEG	Homelessness General	46,650	270	0	-270	G
HOMES	Homelessness Strategy	-17,140	-17,945	-26,485	-8,540	R
IMPGR	Improvement Grants	28,650	-5,838	-3,773	2,065	A
HOMEE	Home Energy Conservation	21,500	413	0	-413	G
GRAGE	Non-Dwelling Rents	-15,070	-17,828	-17,837	-9	G
HSTRA	Housing Strategy	56,720	2,807	3,126	319	G
Total net cost of services		751,320	-557,640	-548,369	9,271	

Items added to/(taken from) balances and reserves					
HGBAL/ H275	DEFRA Clean Air	-4,500	0	0	0
Net Balances and Reserves		-4,500	0	0	0

Net Expenditure	746,820	-557,640	-548,369	9,271
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- 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.
- 2.3 Amber variances are potential areas of high concern and green variances are areas that 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

- 2.4 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.
- 2.5 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.
- 3 CONCLUSION
- 3.1 The comparison between actual and budgeted expenditure for the period shows an overspend of £9,271 for the period April to October of this year's revenue budget.
- 3.2 In summary, the main reasons for the net variance shown are a general overspend in repairs and maintenance and an under achievement on income targets for the Clitheroe Market.
- 3.3 There has also been an increase in the level of benefit payments due to an increase in the number of claimants. Most of this increase is recovered from subsidy received from the government during the year. However, there is also a remaining balance that will not be received from the government as subsidy until the end of the financial year.
- 3.4 The current economic climate remains a topic of concern for this committee. This is through the increase in the level of benefits claims received, and the associated increased work load, and also through the decline in income from market stall holders and vacant cabins

TECHNICAL ACCOUNTANT

HH10-11/NS/AC
3 November 2011

Health and Housing Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Original Budget for the Full Year	Original 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
CTBEN/4653	Council tax rebates	2,261,000	1,319,294	1,348,830	29,536	R	A mid year estimate has been presented to DWP which anticipates an increase in costs.	These additional costs should be matched by subsidy. An adjustment will be made to the budget at revised estimate.
CTBEN/8004z	Council tax rebate grant	-2,281,000	-1,330,964	-1,368,269	-37,305	R	Payment of grant is ahead of expectations offsetting the additional payments (see above)	Additional subsidy to offset the costs above. An adjustment will be made to the budget at revised estimate
HGBEN/2998	Housing benefits software maintenance	16,860	16,860	33,213	16,353	R	Because of the proposed changes to the benefits system, software changes are being made. These set up costs are being met by additional grant.	This budget will be amended at revised estimate.
HGBEN/8009z	Housing benefits admin subsidy	-173,480	-101,225	-123,671	-22,446	R	Additional grant to cover the costs of software changes (see above) together with some additional admin grant of £904 and discretionary housing benefit of £1,938.	This budget will be adjusted at revised estimate.
HGBEN/4652	Rent allowances	6,378,000	3,374,387	3,781,450	407,063	R	There has been an increase in the number of benefit claims received. This is a reflection of the current economic climate	These additional costs should be matched by subsidy. This budget will be amended at revised estimate.
HGHBEN/8002z	Housing benefits rent allowance grant	-6,364,800	-3,704,315	-4,073,181	-368,866	R	Receipt of subsidy is ahead of expectations offsetting the additional payments (see above). Further subsidy monies will also be received at the end of the financial year.	This budget will be adjusted at revised estimate.
SUPPE/3109	Handyperson service	28,300	16,514	8,487	-8,027	R	Because LCC have directed grant income to St Vincent's who are responsible for service delivery, we no longer make these payments.	This budget will be adjusted at revised estimate.

Health and Housing Committee Budget Monitoring – Red Variances

Ledger Code	Ledger Code Name	Original Budget for the Full Year	Original 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
SUPPE/8094z	Handyperson service	-28,300	-16,514	-6,310	10,204	R	Grant income is now directed to St Vincent's who are responsible for service delivery.	This budget will be adjusted at revised estimate.
HOMES/3079	Other contract payments	19,300	11,260	2,681	-8,579	R	An invoice due from St Vincent's in relation to 2010/11 for which a creditor has been raised, has now been received.	A payment to St Vincent's will be made in November which will have the effect of removing most of the under spend. Other commitments will absorb the balance of this budget.
DOGWD/5056	Grounds maintenance	21,740	12,685	7,355	-5,330	R	Time allocations from grounds maintenance are less than anticipated.	Any under spending will be adjusted at revised estimate.
JARMS/8615z	Service charges	-5,340	-5,340	-10,730	-5,390	R	Supporting people payments are set to continue for the foreseeable future following a reversal of a decision by LCC to withdraw support.	This budget will be amended at revised estimate.

Health and Housing Committee Budget Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Original Budget for the Full Year	Original Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
CLMKT/8824n	Cabin rents	-93,590	-93,590	-90,663	2,927	A	There have been some vacancy periods earlier this year, which have resulted in a loss of rental income.
HGBEN/2981	Postage	9,000	5,250	2,288	-2,962	A	Costs have reduced as a result of the transfer of payments to claimants, from cheque to BACS.
CLCEM/2402	Repairs and maintenance	8,610	5,025	8,166	3,141	A	A large repair project to the lodge kitchen at a cost of over £3,000 has been completed, in addition to normal repairs.
CLMKT/2402	Repairs and maintenance	12,420	8,360	10,377	2,017	A	Commitments to undertake a survey at the café and the installation of a double sink in one of the cabins, costing £1,600, are included in the total cost.
CLMKT/8825n	Stalls	-15,950	-9,937	-7,246	2,091	A	The trend over recent months has been a decline in the use of stalls by market traders. The cause has been attributed to the economic climate.