

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No 13

meeting date: 2 AUGUST 2012
 title: REVENUE OUTTURN 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: NEIL SANDIFORD

1 PURPOSE

1.1 To report on the outturn for the financial year 2011/12 in respect of the Revenue Budget for this Committee.

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 and meets the objective within this priority, of maintain critical financial management controls, ensuring the authority provides council tax payers with value for money.
- Other Considerations – none identified.

2 BACKGROUND

2.1 The Council's draft Statement of Accounts have now been produced and have been approved by Accounts and Audit Committee and are currently subject to audit by the Council's external auditors. Accounts and Audit Committee will approve the final audit version of the statements at the end of August.

2.2 The information contained within the Statements is in a prescriptive format. However, the service cost information is being reported to Committees for their own relevant services in our usual reporting format in the current cycle of meetings.

3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £177,132. After allowing for transfers to and from earmarked reserves this underspend is reduced to £128,541. Please note that underspends are denoted by figures with a minus symbol.

Cost Centre	Cost Centre Name	Revised Estimate 2011/12 £	Actual £	Difference £
COMNL	Common land	7,140	6,490	-650
CLAIR	Clean air	1,580	379	-1,201
DOGWD	Dog warden and pest control	89,380	81,691	-7,689
CLAND	Contaminated land	12,850	12,191	-659
CLMKT	Clitheroe market	-19,080	-23,989	-4,909
CLCEM	Clitheroe cemetery	46,230	41,662	-4,568

Cost Centre	Cost Centre Name	Revised Estimate 2011/12 £	Actual £	Difference £
ENVHT	Environmental health	259,090	241,979	-17,111
ENVGR	Grants and subscriptions	1,430	1,300	-130
CTBEN	Council tax benefits	34,280	31,142	-3,138
HGBEN	Housing benefits	45,180	-44,084	-89,264
HSASS	Housing associations	13,050	12,810	-240
HSADV	Housing advances	860	954	94
SUPPE	Supporting people	6,310	6,238	-72
JARMS	Joiners Arms	1,220	1,393	173
HOMEE	Home energy conservation	23,280	22,680	-600
IMPGR	Improvement grants	31,180	27,841	-3,339
HOMEG	Homelessness general	47,490	46,750	-740
HOMES	Homelessness strategy	-19,390	-15,949	3,441
GRAGE	Non-dwelling rents	-11,880	-13,329	-1,449
HSTRA	Housing strategy	61,590	16,509	-45,081
NET COST OF SERVICES		631,790	454,658	-177,132
ITEMS ADDED TO (TAKEN FROM) BALANCES AND RESERVES				
HGBAL/H339	Warm Homes Healthy People	0	44,470	44,470
HGBAL/H356	Clitheroe Cemetery Extension	3,640	3640	0
HGBAL/H275	Clean Air Reserve	-4,500	-379	4,121
NET BALANCES AND RESERVES		-860	47,731	48,591
NET EXPENDITURE		630,930	502,389	-128,541

3.2 We have extracted the main variations and shown them, with the budget holders' comments at Annex 1. However, a summary of the major variations is given in the table below.

Service Area	Description of Variance	Amount £
ENVHT Environmental Health	Income from Environment Agency Flood Grants towards the administration costs of the scheme.	-8,910
CTBEN Council Tax Benefits	There has been an increase in the number of claimants of Council Tax Benefits due to the economic climate.	10,851
	As a result of the increase in the level of payments made for Council Tax Benefits, the Council has received additional subsidy from the Government to fund these payments.	-12,149
HGBEN Housing Benefits	There has been an increase in the number of claimants of Housing Benefits due to the economic climate.	53,070

Service Area	Description of Variance	Amount £
	As a result of the increase in the level of payments made for Housing Benefits, the Council has received additional subsidy from the Government to fund these payments.	-63,551
	Additional income has been brought into the accounts to reflect the overpayments being recovered from ongoing benefit payments. This is a one-off accounting adjustment required by our external auditors, and is now reflected in the Council's balance sheet as a debt.	-74,421
HSTRA Housing Strategy	The Council received a Warm Homes Healthy People Grant of £108,000 in 2011/12. As this was received late in the year not all of this was able to be spent, resulting in the underspend shown. However, this has been set aside in an earmarked reserve to be spent in 2012/13.	-44,241

3.3 As can be seen above, the key variances are in the areas of Council Tax and Housing Benefits, whilst these variance may appear high, these budgets are on a benefit caseload of over £9m, and are more than compensated by the additional subsidy received from Government.

3.4 As mentioned in the previous table, the underspend for this committee is somewhat skewed by the £74,421 accounting adjustment that has been made at the closedown of this year's accounts, at the request of the council's external auditors. If this were to be disregarded, the true variance for this committee is reduced to £102,711, reducing further after transfers to and from earmarked reserves to £62,362.

4 CONCLUSION

4.1 There has been an overall underspend for this committee of £177,132, reducing to £128,541 after allowing for transfers to and from earmarked reserves.

4.2 A large proportion of the underspend is due to an accounting adjustment which was required by our external auditors, in order to account for overpaid benefits being reclaimed from ongoing benefit. However, this one off increase in income of £74,421 now shows as a debt on the Council's balance sheet.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH4-12/NS/AC
16 July 2012

BACKGROUND PAPERS

Revised Estimates approved by Committee on 19 January 2012
Closedown Working Papers

For further information please ask for Neil Sandiford, extension 4498

HEALTH AND HOUSING COMMITTEE – REVENUE OUTTURN 2011/12 VARIANCES

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<i>Common Land</i>					
The budget for repair work for common land has not been used for this year.	-490				-490
There has been a reduction in charges from Legal, Financial and Community Services due to the non-filling of vacancies and general under spending.			-160		-160
Total Common Land	-490		-160		-650
<i>Clean Air</i>					
A new three-year contract for analyst fees has significantly reduced costs this year.	-1,201				-1,201
Total Clean Air	-1,201				-1,201
<i>Dog Warden</i>					
Costs generally are less than expected. This includes vehicle running costs (-£614), kennelling fees (-£639) and baits and poisons (-£688).	-1,946				-1,946
The reduced income from kennelling fees recharges of £389 has been partially offset by additional income from pest control fees and charges and fines for dog fouling of -£180.		216			216
There has been a reduction in charges from Legal, Financial and Community Services due to the non-filling of vacancies and general under spending.			-5,952		-5,952
Depreciation is slightly less than anticipated.				-7	-7
Total Dog Warden	-1,946	216	-5,952	-7	-7,689
<i>Contaminated Land</i>					
A new software system for the monitoring of contaminated land in the Council's area has cost less than originally anticipated.	-489				-489
A small provision for anticipated income is made, which has not been achieved this year.		50			50
There has been a reduction in the recharge from Community Services due to non-filling of vacancies and general under spending,			-220		-220
Total Contaminated Land	-489	50	-220		-659

HEALTH AND HOUSING COMMITTEE – REVENUE OUTTURN 2011/12 VARIANCES

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<i>Clitheroe Market</i>					
A reassessment of NNDR liability regarding cabins has reduced the Council's costs from January 2012 by £1,504 this year. The cost of electricity (-£1,208) and other items of procurement are also less by -£1,247.	-2,751				-2,751
The main reason for the reduction in income is that the recharge for the use of the market for CCTV, which is based on costs has reduced by £964. Other variations to income from cabin rents and stalls are £66 less than anticipated this year.		1,030			1,030
There has been a reduction in the costs of support services of £3,192 this year due to the non-filling of vacancies and general under spending. The main areas are Chief Executives (-£2,720), Community Services (-£220), Organisation and Member Development (-£110) and other departments (-£142).			-3,192		-3,192
The costs of depreciation are slightly higher than anticipated.				4	4
Total Clitheroe Market	-2,751	1,030	-3,192	4	-4,909
<i>Clitheroe Cemetery</i>					
There has been an increase in the costs of maintaining trees due to emergency tree works late in the year costing £850. The increased costs of grounds maintenance (£1,157) have been offset by reductions elsewhere (-£910).	1,097				1,097
The principal cause of the increase in income is additional purchases of exclusive burial rights, reversing earlier annual trends. Additional income of -£3,089 has been generated. Other income from provision of headstones and sale of commemorative trees (-£514), internment fees (-£412) and monument fee income (-£555) makes up the balance.		-4,584			-4,584
There has been a reduction in the cost of support services of £1,080 due to the non-filling of vacancies and general under spending. The main areas are: <ul style="list-style-type: none"> ▪ Grounds maintenance (-£710) ▪ Chief Executives (-£180) ▪ Other departments (-£190). 			-1,080		-1,080
Total Clitheroe Cemetery	1,097	-4,585	-1,080		-4,568

HEALTH AND HOUSING COMMITTEE – REVENUE OUTTURN 2011/12 VARIANCES

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<i>Environmental Health</i>					
Costs of subscriptions are less (-£430), the provision of nuisances, for example, the removal of animal carcasses from the highway is less (-£235) and rechargeable vets fees are less (-£210). Other variations amount to -£64.	-939				-939
We have received a contribution towards the cost of the salaries associated with a flooding scheme in Ribchester (-£4,786), which was adopted after the revised estimate was approved and the introduction of monitoring of private water supplies has been more than anticipated generating additional income of -£1,507. Licences for street trading is higher than expected by -£375 and other licences by -£500.		-6,293			-6,293
Other income is more than expected -£94.		-94			-94
There has been a reduction in the cost of support services costs due to the non-filling of vacancies and general under spending. The main areas are: <ul style="list-style-type: none"> ▪ Chief Executive: -£7,980 ▪ Legal: -£660 ▪ Organisational and Member Development: -£200 ▪ Other departments: -£70 			-8,910		-8,910
Total Environmental Health	-939	-7,262	-8,910		-17,111
<i>Environmental Grants</i>					
The provision for subscriptions has not been used this year.	-100				-100
The recharge from Community Services is less than anticipated reflecting the non-filing of vacancies.			-30		-30
Total Environmental Grants	-100		-30		-130
<i>Council Tax Benefits</i>					
Payments to claimant in receipt of council tax benefit have been slightly more than expected.	10,851				10,851
Additional subsidy has been received to cover the additional payments above and in respect of more overpayments than provided.		-12,149			-12,149

HEALTH AND HOUSING COMMITTEE – REVENUE OUTTURN 2011/12 VARIANCES

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
There has been a reduction in the cost of support services due to the non-filling of vacancies and general under spend. The main areas are: <ul style="list-style-type: none"> ▪ Revenues: -£1,720 ▪ Other departments: -£120 			-1,840		-1,840
Total Council Tax Benefits	10,851	-12,149	-1,840		-3,138
<i>Housing Benefits</i>					
The payments to claimants of housing benefits is greater than anticipated as the number of claimants in the final quarter has exceeded expectations increasing costs by £50,818. Particularly the cost of rent rebates is greater than expected (£3,907). Other costs show a net reduction mainly as a result of further savings made in the cost of printing and stationery (-£1,655).	53,070				53,070
As part of last years (2010/11) external audit, additional sundry debtors contained in the Housing Benefits payments system were recognised as being outside the Councils main accounting system. Collection of these debts is made from ongoing benefit payments by netting down the amount due from individual claimants. This process has been ongoing for several years and we are now bringing these into the main accounting system for the first time.	-74,421				-74,421
Additional subsidiary has been received to cover the cost of payments made to claimants (above) and a small amount of additional subsidy in relation to overpayments (-£57,685). Also additional subsidy has also been received to cover the extra cost of rent rebates (-£4,954). Other income has been generated from legal fees recovered (-£165) and grants associated with additional software costs (-£747).		-63,551			-63,,551
There has been a reduction in the cost of support services due to the non-filling of vacancies and general under spend. The main areas are: <ul style="list-style-type: none"> ▪ Revenues -£1,820 ▪ IT -£1,160 ▪ Finance -£670 ▪ Other departments: -£712 			-4,362		-4,362
Total Housing Benefits	-21,351	-63,551	-4,362		-89,264

HEALTH AND HOUSING COMMITTEE – REVENUE OUTTURN 2011/12 VARIANCES

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<i>Housing Associations</i>					
There has been a reduction in the cost of support services due to the non filling of vacancies and general under spend, resulting in a saving of -£240.			-240		-240
Total Housing Associations			-240		-240
<i>Housing Advances</i>					
There has been a reduction in the cost of support services due to the non-filling of vacancies and general under spend. The main area is Financial Services.			-20		-20
The interest received from mortgage payers is less than anticipated due to the early redemption of an outstanding loan.		114			114
Total Housing Advances		114	-20		94
<i>Supporting People</i>					
There is a small variation in the amount in the budget and the amount paid to St Vincent's, the service provider, before payments were discontinued.	-12				-12
There is a small variation between budget and the amount received from LCC for the handyperson service provided by St Vincent's.		-10			-10
Support service costs of the Chief Executives and Revenue services are slightly less than anticipated.			-50		-50
Total Supporting People	-12	-10	-50		-72
<i>Joiners Arms</i>					
Increased costs of repairs and maintenance (£661) have been offset in part, by a reduction in the costs of telephone charges and sewerage costs.	479				479
There has been additional income generated as a result of the conversion of units at the Joiners Arms to self contained units.		-306			-306
Total Joiners Arms	479	-306			173

HEALTH AND HOUSING COMMITTEE – REVENUE OUTTURN 2011/12 VARIANCES

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<i>Home Energy Conservation</i>					
Underspendings in the provision of equipment and stationery have saved £300.	-300				-300
The cost of recharges from Community Services and Chief Executives has reduced costs by £300, which is due to the non-filling of vacancies and a general under spend.			-300		-300
Total Home Energy Conservation	-300		-300		-600
<i>Improvement Grants</i>					
Fee income, which is generated from the capital programme, is more than anticipated at revised estimate.		-1,959			-1,959
Support service costs from the Chief Executives are less than anticipated at revised estimate due to the non-filling of vacancies and general; underspendings.			-1,380		-1,380
Total Improvement Grants		-1,959	-1,380		-3,339
<i>Homelessness General</i>					
Reduced spending on equipment has saved £150 this year.	-150				-150
There has been a reduction in the cost of support services due to the non-filling of vacancies and general under spend. The main areas are: <ul style="list-style-type: none"> ▪ Chief Executive: -£480 ▪ Other: -£110 			-590		-590
Total Homelessness General	-150		-590		-740
<i>Homelessness Strategy</i>					
The work to convert rooms at the Joiners Arms to self-contained status cost £1,992 more than expected due to unforeseen items. We have written off some uncollectable charges of £749. Two bonds for temporary accommodation have been issued at a cost of £800 (these should be recoverable).	3,541				3,541
A grant of £50,000 from DCLG for homelessness is £50 less than budgeted.		50			50

HEALTH AND HOUSING COMMITTEE – REVENUE OUTTURN 2011/12 VARIANCES

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
There has been a reduction in the cost of support services due to the non-filling of vacancies and general under spend. The main areas are: <ul style="list-style-type: none"> ▪ Chief Executive: -£110 ▪ Other: -£40 			-150		-150
Total Homelessness Strategy	3,541	50	-150		3,441
<i>Non-dwelling Rents</i>					
The budget for repairs and maintenance for garages, which is managed on the Councils behalf by RVH, has not all been spent this year.	-2,822				-2,822
Income from garage rents has reduced due in part to the decline of income from the Henthorn site which is to be sold to RVH.		1,523			1,523
There has been a reduction in the cost of support services due to the non-filling of vacancies and a general under spend.			-150		-150
Total Non-dwelling Rents	-2,822	1,523	-150		-1,449
<i>Housing Strategy</i>					
A proportion (£44,470) of the Warm Homes Healthy People Grant of £108,000 has not been spent and is to be reserved and spent in 2012/13. Other cost reductions amount to £229.	-44,241				-44,241
There has been a reduction in the cost of support services due to the non-filling of vacancies and general under spend.			-840		-840
Total Housing Strategy	-44,241		-840		-45,081
Totals	-60,824	-86,839	-29,466	-3	-177,132
VARIANCES ON ITEMS TO BE ADDED TO (TAKEN FROM) BALANCES AND RESERVES					
Warm Homes Healthy People					44,470
Clean Air Reserve					4,121
Overall under spending after transfers to/from balances and reserves					-128,541