

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

INFORMATION

Agenda Item No 10

meeting date: 29 NOVEMBER 2012  
 title: REVENUE MONITORING 2012/13  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: NEIL SANDIFORD

## 1 PURPOSE

1.1 To report the position for the period April to October 2012 of this year's revenue budget as far as this committee is concerned.

1.2 Relevance to the Councils 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 to meet the objectives within this priority, to maintain critical financial management controls, ensuring that 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 end of October. You will see an overall overspend of £141,731 on the cost of services, after allowing for estimated transfers to and from earmarked reserves. Please note that underspends are denoted by figures with a minus symbol.

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 Benefits	38,560	-50,554	-85,113	-34,559	R
HGBEN	Housing Benefits	65,250	-461,173	-282,574	178,599	R
COMNL	Common land	6,820	354	95	-259	G
CLAIR	Clean Air	1,580	914	2,057	1,143	G
DOGWD	Dog Warden and Pest Control	86,170	4,922	7,912	2,990	A
CLAND	Contaminated Land	10,720	125	0	-125	G
CLMKT	Clitheroe Market	-43,730	-76,923	-90,537	-13,614	R
CLCEM	Clitheroe Cemetery	45,250	9,755	11,026	1,271	G
ENVHT	Environmental Health	285,610	-6,562	-5,221	1,341	G
ENVGR	Grants and Subscriptions	2,470	360	685	325	G
HSASS	Housing Associations	13,440	0	0	0	G
HSADV	Housing Advances	910	200	290	90	G
SUPPE	Supporting People	4,360	30	0	-30	G
JARMS	Joiners Arms	14,390	10,008	9,670	-338	G
HOMEE	Home Energy Conservation	21,690	418	0	-418	G
IMPGR	Improvement Grants	32,040	-4,670	-2,395	2,275	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 £	
HOMEG	Homelessness - General	48,960	270	132	-138	G
HOMES	Homelessness - Strategy	-16,310	-17,946	-17,788	158	G
GRAGE	Non-dwelling Rents	-8,620	-15,624	-10,113	5,511	R
HSTRA	Housing Strategy	63,510	2,947	24,857	21,910	R
<b>Total</b>		<b>673,070</b>	<b>-603,149</b>	<b>-437,017</b>	<b>166,132</b>	
<b>Transfers to and from earmarked reserves</b>						
	Warm Homes	0	0	-20,401	-20,401	
	Garages	0	0	-4,000	-4,000	
<b>Total transfers to and from earmarked reserves</b>		<b>0</b>	<b>0</b>	<b>-24,401</b>	<b>-24,401</b>	
<b>Total after transfers to and from earmarked reserves</b>		<b>673,070</b>	<b>-603,149</b>	<b>-461,418</b>	<b>141,731</b>	

- 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 concern and green variances are areas that currently do not present any significant concern.

<b>Key to Variance Shading</b>	
Variance of more than £5,000 (Red)	<b>R</b>
Variance between £2,000 and £4,999 (Amber)	<b>A</b>
Variance less than £2,000 (Green)	<b>G</b>

- 2.3 We have 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 holder's comments at Annex 2.
- 2.5 In summary the main areas of variance which are unlikely to rectify themselves by the end of the financial year are summarised below

Description	Variance to end of October 2012
<b>Clitheroe Market</b> National Non Domestic Rates - There has been a reduction in costs to the Council as these are now mainly charged to tenants.	-7,065
<b>Environmental Health</b> Environmental Protection - Petrol stations have been overcharged in previous years which is reflected in the budget. The charge is now correct. Additionally three inspections have been lost.	2,225
<b>Housing Benefits</b> Postage costs have reduced following the transition to making payments to claimants by BACS.	-2,560
<b>Clitheroe Market</b> Repairs and maintenance expenditure is a little behind expectations.	-2,552
<b>Clitheroe Cemetery</b> Interment Fees - the number of interments has been less than anticipated so far this year.	4,570
<b>Clitheroe Cemetery</b> Grounds Maintenance - staff recharges are behind expectations due to the fall in the number of interments, meaning less of a requirement for graves to be dug.	-2,673
<b>Dog Warden</b> Wasp Nests – the damp summer has meant that there has been less of a demand for the service.	2,069

### 3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure for the period shows an overspend of £141,731 for the period April to October of this year's revenue budget.
- 3.2 For this Committee the majority of variances will rectify themselves by the end of the financial year. The large variances relating to housing benefits are due to timing delays between payments made to claimants and subsidy income received. These variances will be eliminated at the end of the financial year when a claim for monies due to/from the Council will be made to the DWP.

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HH9-12/NS/AC  
13 November 2012

For further information please ask for Neil Sandiford, extension 4498

BACKGROUND PAPERS – None

## 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
CLMKT/ 2451	NNDR	11,340	11,340	4,275	-7,065	There has been a reduction to the Council's NNDR costs as these are now mainly charged direct to tenants.	The budget will be amended at revised estimate to reflect the change.
HSTRA/ 4642	Warm Homes Grant	0	0	20,401	20,401	These costs are in respect of payments to vulnerable people in relation to warm homes grant. This is a carryover from 2011/12.	Grant has been received and is held in reserve to fund these costs.
HGBEN/ 4652	Rent Allowance Payments	6,794,000	3,594,026	3,967,989	373,963	Payments to claimants are ahead of expectations.	The budget will be amended at revised estimate to take account of the increased costs.
HGBEN/ 8002z	Housing Benefit Subsidy	-6,828,800	-3,974,363	-4,151,376	-177,013	The budget prepared in November 2011 anticipated a reduction in grant due to changes made to benefits to claimants. This has not happened and the initial estimate submitted to DWP in February 2012 reflected the continuing upward trend of payments to claimants. Grant is being received at a higher rate offsetting the above costs.	This budget will be amended at revised estimate.

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
		£	£	£	£		
HGBEN/8009z	Administration Grant	-166,370	-97,077	-107,346	-10,269	A subsidy payment has been received in advance to help fund changes to the administration process, plus a discretionary housing payment and a small grant for additional software costs.	This budget will be amended at revised estimate.
CTBEN/4653	Council Tax Rebates	2,290,000	1,336,215	1,308,723	-27,492	Payment of Council Tax benefit is lower than anticipated.	This budget will be amended at revised estimate.
CTBEN/8004z	Council Tax Benefit	-2,310,000	-1,347,885	-1,339,569	8,316	This February return to DWP anticipated a small increase in Council Tax payments to claimants which is reflected in the budget. This increase has not happened and the mid-year estimate to DWP reflected this (August). Income has therefore reduced in line with the mid-year estimate.	This budget will be amended at revised estimate.
CTBEN/8022z	DCLG Council Tax Initial Burden Grant	0	0	-21,500	-21,500	A grant has been received to assist with the costs involved in the transition to Local Council Tax Support. There will be associated costs incurred to offset this income. The total grant was for £84,000, with £62,500 approved for capital purposes.	The 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
ENVHT/ 8415u	Environmental Protection	-8,710	-7,752	-5,527	2,225	Petrol stations (10 of) have been overcharged in previous years and the budget reflects this. The charge has been amended to the correct level. Additionally, three inspections have been lost: Dugdale's Nutrition are now to be inspected by the Environment Agency due to tonnage output and Tarmac have reduced their production processes from three to one. The number of inspections has therefore reduced to reflect this.
CTBEN/ 2809	Non Recurring Purchases	0	0	3,150	3,150	Expenditure is in relation to an additional module purchased for the Northgate system. Grant funding has been received in relation to these costs.
HGBEN/ 2981	Postages	9,000	5,250	2,691	-2,560	Since payment to claimants by BACS was introduced the cost of postage has declined. This trend is continuing.
CLMKT/ 2402	Repairs and Maintenance	12,420	8,360	5,808	-2,552	At present repair and maintenance expenditure is a little behind expectations.
CLCEM/ 8441u	Interment Fees	-19,100	-11,144	-6,574	4,570	The number of interments has been less than anticipated so far this year.
CTBEN/ 2858	Microfilming	0	0	2,954	2,954	Costs associated with the localisation of Council Tax Benefits for which a grant has been received.
CLCEM/ 5056	Grounds Maintenance	44,220	25,800	23,127	-2,673	The reduction in the number of interments has meant that there has been less of a requirement for grounds maintenance staff to prepare graves. This has led to a reduction in the amount of time recharged.

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
DOGWD/ 8412n	Wasp Nests	-3,520	-3,486	-1,417	2,069	The damp summer has meant that there has been less of a demand for the service.
ENVHT/ 8097z	DEFRA Flood Grants	0	0	-2,154	-2,154	Reimbursement of flood grant administration costs associated with the scheme which has slipped to 2012/13.
GRAGE/ 2409	Non Recurring Purchases	0	0	4,000	4,000	Costs relating to the demolition of garages at Riddings Lane, Whalley. Funds are held in the Repairs and Maintenance Reserve to cover these costs.