

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

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| INFORMATION |
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Agenda Item No 10

meeting date: 22 OCTOBER 2015
 title: REVENUE MONITORING 2015/16
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 The purpose of this report is to provide Health and Housing Committee with information relating to the progress of the 2015/16 revenue budget, as at the end of September 2015.

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, whilst ensuring the Council provides council tax payers with value for money.
- Other Considerations – none identified.

2 REVENUE MONITORING 2015/16

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period April 2015 to September 2015. You will see an overall underspend of £152,636 on the net cost of services, as at the end of September 2015. After allowing for transfers to and from earmarked reserves, the underspend is reduced to £119,472. 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 £ | Net Budget to the end of the period £ | Actual including Commitments to the end of the period £ | Variance £ | |
|-------------|--|-----------------------------------|--|--|---------------|---|
| CTBEN | Localised Council Tax Support Administration | 107,700 | -44,053 | -47,081 | -3,028 | A |
| HGBEN | Housing Benefits Administration | 74,400 | -239,872 | -334,734 | -94,862 | R |
| UCRED | Universal Credit | 19,980 | 72 | -4,947 | -5,019 | R |
| COMNL | Common Land | 2,730 | 322 | 42 | -280 | G |
| CLCEM | Clitheroe Cemetery | 50,410 | 7,660 | 10,335 | 2,675 | A |
| ENVGR | Grants & Subscriptions - Health & Housing | 2,180 | 740 | 720 | -20 | G |
| CLAIR | Clean Air | 1,870 | 940 | 829 | -111 | G |
| DOGWD | Dog Warden & Pest Control | 89,040 | 2,597 | 5,774 | 3,177 | A |
| ENVHT | Environmental Health Services | 290,150 | -12,160 | -21,977 | -9,817 | R |

| Cost Centre | Cost Centre Name | Net Budget for the Full Year £ | Net Budget to the end of the period £ | Actual including Commitments to the end of the period £ | Variance £ | |
|---|--|-----------------------------------|--|--|-----------------|---|
| CLAND | Contaminated Land | 15,770 | 118 | 0 | -118 | G |
| HSASS | Housing Associations | 6,000 | 0 | 0 | 0 | G |
| HSADV | Housing Advances | 90 | 110 | 0 | -110 | G |
| AWARM | Affordable Warmth | 0 | 0 | -7,225 | -7,225 | R |
| SUPPE | Supporting People | 16,570 | 0 | -28,369 | -28,369 | R |
| CLMKT | Clitheroe Market | -45,790 | -90,513 | -96,634 | -6,121 | R |
| JARMS | Joiners Arms | 18,750 | 10,204 | 11,119 | 915 | G |
| HOMEG | Homelessness General | 53,880 | 246 | 0 | -246 | G |
| HOMES | Homelessness Strategy | 34,780 | 10,791 | 7,572 | -3,219 | A |
| IMPGR | Improvement Grants | 27,580 | -4,080 | -497 | 3,583 | A |
| HOMEE | Home Energy Conservation | 13,720 | 374 | 0 | -374 | G |
| SHARE | Shared Ownership Rents | -610 | -596 | -1,191 | -595 | G |
| HSTRA | Housing Strategy | 55,160 | 6,278 | 2,806 | -3,472 | A |
| Total: | | 834,360 | -350,822 | -503,458 | -152,636 | |
| Transfers to/(from) Earmarked Reserves | | | | | | |
| HGBAL/ H275 | Clean Air Reserve | -480 | 0 | -480 | -480 | |
| HGBAL/ H371 | Repossession Prevention Fund Reserve | 0 | 0 | -5,000 | -5,000 | |
| HGBAL/ H339 | Government Housing Grants Reserve – Affordable Warmth | 0 | 0 | 7,225 | 7,225 | |
| HGBAL/ H339 | Government Housing Grants Reserve – Domestic Abuse Agreement | 0 | 0 | 28,375 | 28,375 | |
| HGBAL/ H339 | Government Housing Grants Reserve – Right to Move Grant | 0 | 0 | 3,044 | 3,044 | |
| Total after transfers to/(from) Earmarked Reserves | | 833,880 | -350,822 | -470,294 | -119,472 | |

2.2 Shown above under transfers to earmarked reserves are a number of grants, on the basis that this is the balance of unspent grant to date. Should expenditure be incurred before the end of the financial year in respect of these grants, then such transfers will be adjusted to reflect that spend accordingly.

2.3 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 £5,000 (Amber) | A |
| Variance less than £2,000 (Green) | G |

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

- Red budget code variances are shown with the budget holder’s comments and agreed actions in Annex 1.
- Amber budget code variances are shown with the budget holder’s comments in Annex 2.

2.5 The main reasons for the £119,472 underspend to the end of September 2015, after transfers to and from earmarked reserves, are as follows:

- £89,279 net underspend on Housing Benefits rent allowance payments and subsidy grant income. This is because rent allowance claimant caseload for April to September 2015 was lower than planned when the 2015/16 subsidy initial estimate was prepared for the Department for Work and Pensions (DWP) in February 2015.

Rent allowance payments to date reflect the lower caseload in practice but subsidy grant received to date is still based on the initial estimate prepared. At the year-end the Housing Benefit subsidy claim prepared for the DWP will ensure that rent allowance subsidy income mirrors actual rent allowance payments made across the full year, subject to any benefits overpayments adjustments. So, no significant underspend is expected at year-end.

- £6,649 of increased income from Environmental Protection Registration fees. This is due to identification of more commercial sites that are eligible to be registered and pay fees in line with national guidelines.

3 CONCLUSION

3.1 The comparison between actual and budgeted expenditure on the Health and Housing Committee shows an underspend of £152,636, as at the end of September 2015. After allowing for transfers to and from earmarked reserves, the underspend is reduced to £119,472.

3.2 When the £89,279 Housing Benefits rent allowance payments and subsidy grant income net underspend is set aside, the remaining underspend as at the end of September 2015, after allowing for transfers to and from earmarked reserves, is £30,193.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH13-15/AC/AC
9 October 2015

BACKGROUND PAPERS: None

For further information please ask for Andrew Cook

Health and Housing Committee Revenue 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 |
|-----------------|---|-------------------------------|--------------------------------------|--|---------------|---|--|
| HGBEN/ 4652 | Housing Benefits/Rent Allowance Payments | 7,491,770 | 3,468,062 | 3,358,194 | -109,868 | Rent Allowance payments are lower than budgeted at Original Estimate, due to lower caseload than anticipated. This will be reflected in less Rent Allowance subsidy grant income being received at year-end, as expenditure is funded by subsidy received. This means there is no significant underspend in practice. | Budget to be amended at Revised Estimate, in line with the Mid-Year estimate claim prepared for DWP grant purposes. |
| SUPPE/ 8365z | Supporting People/Domestic Abuse Agreement - LCC Grant | 0 | 0 | -28,375 | -28,375 | This is an additional grant received in-year from Lancashire County Council to help councils strengthen domestic abuse service provision until October 2016. This grant was not anticipated at Original Estimate. A service level agreement has been agreed with Hyndburn and Ribble Valley Domestic Violence Team (HARV) to deliver this additional service for the Council. | Income and expenditure budgets will be updated at Revised Estimate. The portion of the grant receipt that relates to 2016/17 will be set aside in earmarked reserves at year-end. |
| AWARM/ 8053z | Affordable Warmth/Affordable Warmth LCC Public Health Grt | 0 | 0 | -12,625 | -12,625 | This is the first payment of an additional grant from Lancashire County Council to help fund affordable warmth measures in the borough in 2015/16. This grant was not anticipated at Original Estimate. The Council will be undertaking additional spend in this area in-year. | Income and expenditure budgets will be updated at Revised Estimate. Any unspent grant at year-end will be set aside in earmarked reserves. |

Health and Housing Committee Revenue 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 |
|-----------------|---|-------------------------------|--------------------------------------|--|---------------|--|---|
| ENVHT/ 8415u | Environmental Health Services/Envir Protect Registration Fees | -13,200 | -11,744 | -18,393 | -6,649 | Environmental Protection Registration fees have increased in-year, due to the identification of more commercial sites that are eligible to be registered and pay fees in line with national guidelines. | The budget will be updated for this at Revised Estimate. |
| HGBEN/ 2998 | Housing Benefits/Software Maintenance | 6,590 | 6,590 | 11,811 | 5,221 | Northgate licensing and support 2015/16 costs have been allocated differently across budgets than anticipated at Original Estimate stage. This has led to £5,210 extra being charged to Housing Benefits administration. | Budgets will be corrected at Revised Estimate in order to reflect the new allocations. |
| HGBEN/ 8002z | Housing Benefits/Rent Allowances Grant | -7,525,170 | -3,650,187 | -3,629,598 | 20,589 | Rent Allowance grant subsidy income received to date is based on the Initial Estimate claim prepared for DWP grant purposes in February 2015. This set a lower income level than budgeted for at Original Estimate. | Budget to be amended at Revised Estimate, in line with the Mid-Year estimate claim prepared for DWP grant purposes. |

Health and Housing Committee Revenue 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 |
|-----------------|--|-------------------------------|--------------------------------------|--|---------------|---|
| UCRED/ 8655n | Universal Credit/DWP - Universal Credit Service Income | 0 | 0 | -4,947 | -4,947 | This is quarter one income for the Universal Credit Service delivered to Ribble Valley residents on behalf of the DWP. This income was not anticipated at Original Estimate. The budget will be updated for this at Revised Estimate. |
| CTBEN/ 2809 | Localised Council Tax Support Admin/Non Recurring Purchases of Equipment etc | 11,230 | 4,942 | 791 | -4,151 | This expenditure budget mirrors income received from DWP to fund expenditure for new burdens placed on the Council as a result of Council Tax Support system changes. Expenditure in-year is lower than budgeted, but does include all in-year new burdens requirements to date. |
| HGBEN/ 8029z | Housing Benefits/DWP- Housing Benefits New Burden Grant | 0 | 0 | -3,827 | -3,827 | This is an additional grant received in-year from DWP to fund expenditure for new burdens placed on the Council as a result of Housing Benefits and other welfare system changes. It was not anticipated at Original Estimate. The budget will be updated at Revised Estimate stage to reflect this income and associated expenditure. Should matching expenditure not be incurred by the end of the financial year, then this funding will be set aside in earmarked reserves. |

Health and Housing Committee Revenue 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 |
|-------------|--|-------------------------------|--------------------------------------|--|---------------|---|
| HSTRA/8645z | Housing Strategy/DCLG - Implementing Right to Move | 0 | 0 | -3,044 | -3,044 | This is an additional grant received in-year to help councils make housing register changes to set aside a proportion of lets for cross-boundary moves (Right to Move quota). This grant was not anticipated at Original Estimate. Expenditure will take place in-year with Ribble Valley Homes, as they manage the Council's housing register, and income and expenditure budgets will be updated at Revised Estimate. |
| HOMES/3012 | Homelessness Strategy/Grants to Other Bodies | 7,620 | 3,810 | 892 | -2,918 | Payments to date to cover services provided by the Housing Improvement Agency and Pennine Lancashire Mental Health and Housing Service are lower than anticipated because the Council has not yet received invoices. These payments are still expected to be made later in 2015/16, which will reduce this underspend. |
| HOMES/4676 | Homelessness Strategy/Grants to Individuals | 5,370 | 2,688 | 0 | -2,688 | To date there have been just two Tenancy Protection Scheme payments made on behalf of private sector tenants in-year. This is lower than budgeted for. In addition, repayment invoices have already been raised for these amounts, which has reduced net expenditure to date to nil. |

Health and Housing Committee Revenue 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 |
|-----------------|---|-------------------------------|--------------------------------------|--|---------------|---|
| CLMKT/ 2432 | Clitheroe Market/Electricity | 8,380 | 4,192 | 1,869 | -2,323 | Clitheroe Market electricity bills received as at the end of September cover the period April to August 2015, so no charges are yet included for September. In addition, the actual electricity costs to date are lower than profiled in the Original Estimate budget. Usage and costs are likely to increase over the winter period. |
| IMPGR/ 8717n | Improvement Grants/Admin Charge - Improvement Grants | -4,080 | -2,040 | 0 | 2,040 | At the end of September, no Landlord Tenant Grants have been completed so far in-year, so no administration charges have been charged by the Council. Income will be received later in the year, when some of the approved grants are completed. |
| DOGWD/ 8416n | Dog Warden & Pest Control/Pest Control Fees & Charges | -11,760 | -5,880 | -3,171 | 2,709 | Less pest control services provided and income received in-year to date than anticipated in the Original Estimate. The budget will be reviewed for this at Revised Estimate. |

Health and Housing Committee Revenue 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 |
|-------------|--|-------------------------------|--------------------------------------|--|---------------|---|
| CLCEM/2402 | Clitheroe Cemetery/Repair & Maintenance - Buildings | 9,250 | 4,626 | 7,422 | 2,796 | This is due to significant work on the Cemetery house and on St Mary's churchyard in the first four months of the financial year, that was not anticipated at Original Estimate. Only essential repairs and maintenance expenditure will be undertaken for the rest of the year. |
| AWARM/4676 | Affordable Warmth/Grants to Individuals | 0 | 0 | 3,957 | 3,957 | This is affordable warmth boiler replacement grants, carpet grants and emergency fuel top-up assistance provided to eligible residents in Ribble Valley. The expenditure is covered by grant funding from Lancashire County Council, some of which has been received in-year and some of which is held in the Government Housing Grants earmarked reserve. The funds in reserve will be reflected in this budget at Revised Estimate. |
| CTBEN/2998 | Localised Council Tax Support Admin/Software Maintenance | 6,590 | 6,590 | 11,586 | 4,996 | Northgate licensing and support 2015/16 costs have been allocated differently across budgets than anticipated at Original Estimate stage. This has led to £5,210 extra being charged to Localised Council Tax Support administration. Budgets will be corrected at Revised Estimate in order to reflect the new allocations. |

Health and Housing Committee Revenue 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 |
|----------------|---|-------------------------------|--------------------------------------|--|---------------|---|
| HOMES/ 4681 | Homelessness Strategy/Grants to Individuals - Rep Prev Fund | 0 | 0 | 5,000 | 5,000 | This is one repossession prevention fund payment made so far in 2015/16 to prevent homelessness. This expenditure is covered by DCLG grant funding held in the Repossession Prevention Fund earmarked reserve. The funds in reserve will be reflected in this budget at Revised Estimate. |