

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

INFORMATION

Agenda Item No 17

meeting date: 1 SEPTEMBER 2016
 title: REVENUE MONITORING 2016/17
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To provide Health and Housing Committee with information relating to the progress of the 2016/17 revenue budget, as at the end of July 2016.

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 2016/17

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the Original Estimate for the period April 2016 to July 2016. You will see an overall underspend of £49,842 on the net cost of services, as at the end of July 2016. After allowing for transfers to and from earmarked reserves, the underspend is increased to £52,778. 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 July 2016 £	Actual Expenditure including Commitments to the end of July 2016 £	Variance £	
AWARM	Affordable Warmth	0	0	2,936	2,936	A
CLAIR	Clean Air	2,550	854	300	-554	G
CLAND	Contaminated Land	11,780	112	0	-112	G
CLCEM	Clitheroe Cemetery	55,240	6,104	893	-5,211	R
CLMKT	Clitheroe Market	-49,490	-94,708	-104,009	-9,301	R
COMNL	Common Land	2,340	218	14	-204	G
CTBEN	Localised Council Tax Support Admin	100,830	-16,035	-24,928	-8,893	R
DOGWD	Dog Warden & Pest Control	96,340	4,148	3,118	-1,030	G
ENVHT	Environmental Health Services	297,640	506	-1,081	-1,587	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of July 2016 £	Actual Expenditure including Commitments to the end of July 2016 £	Variance £	
HGBEN	Housing Benefits Admin	115,640	-58,466	-80,082	-21,616	R
HOMEE	Home Energy Conservation	13,780	254	0	-254	G
HOMES	Homelessness Strategy	88,850	9,179	7,098	-2,081	A
HSASS	Housing Associations	6,550	168	11	-157	G
HSTRA	Housing Strategy	55,030	6,160	5,639	-521	G
IMPGR	Improvement Grants	63,920	-2,420	0	2,420	A
JARMS	Joiners Arms	22,180	10,434	9,810	-624	G
PHACT	Public Health Act House Clearance	0	0	1,642	1,642	G
SHARE	Shared Ownership Rents	-570	-404	-1,209	-805	G
SUPPE	Supporting People	31,940	15,106	14,188	-918	G
UCRED	Universal Credit	20,550	0	-2,972	-2,972	A
Total Health and Housing Committee		935,100	-118,790	-168,632	-49,842	
Transfers to/(from) Earmarked Reserves						
HGBAL/ H275	Clean Air Reserve - Clean Air Monitoring	-480	0	0	0	
HGBAL/ H339	Government Housing Grants Reserve - Domestic Abuse Support Services	-14,190	-14,190	-14,190	0	
HGBAL/ H339	Government Housing Grants Reserve - Affordable Warmth	0	0	-2,936	-2,936	
Total after transfers to/(from) Earmarked Reserves		920,430	-132,980	-185,758	-52,778	

Key to Variance shading	
Variance of £5,000 or more (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

2.2 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.

2.3 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 (£5,000 or more) are shown with the budget holder's comments and agreed actions in Annex 1.
- Amber budget code variances (£2,000 to £4,999) are shown with the budget holder's comments in Annex 2.

2.4 The main reasons for the £52,778 underspend to the end of July 2016 are:

- **Housing Benefits Administration (-£21,616):** Mainly due to additional funding received in-year from the DWP that was not anticipated at Original Estimate, covering Local Council Tax Support Administration, Fraud and Error Reduction work, Implementing Benefit Cap Changes and General New Burdens funding.
- **Clitheroe Market (-£9,301):** Mainly due to lower than expected water meter readings and subsequent water charges to date, plus lower than budgeted expenditure to date on repairs, electricity and publicity. The low meter readings are being reviewed and further expenditure in-year on repairs, electricity and publicity may reduce the underspends in those areas.
- **Localised Council Tax Support Administration (-£8,893):** Higher than anticipated Local Council Tax Support Administration funding in-year from the DWP and underspends to date across various supplies and services budget codes. Further expenditure in-year on supplies and services may reduce the underspends in those areas.
- **Clitheroe Cemetery (-£5,211):** More exclusive burial rights income and interments income than anticipated at Original Estimate. This is due to additional grave plots now being available in the new cemetery extension attracting increased plot reservations, along with the normal year-on-year variations in the number of interments and plot reservations.

3 CONCLUSION

3.1 The comparison between actual and budgeted expenditure on the Health and Housing Committee shows an underspend of £49,842, as at the end of July 2016. After allowing for transfers to and from earmarked reserves, the underspend is increased to £52,778.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH8-16/AC/AC
22 August 2016

BACKGROUND PAPERS: None

For further information please ask for Andrew Cook

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2016 £	Actual Expenditure including Commitments to the end of July 2016 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CTBEN/8009z	Localised Council Tax Support Admin/Housing Benefit & CT Benefit Admin Grant	-66,990	-31,085	-36,575	-5,490	R	The Local Council Tax Support administration grant received was higher than the amount budgeted for at Original Estimate.	The budget will be updated at Revised Estimate for this.
HGBEN/4652	Housing Benefits/Rent Allowance Payments	6,954,970	2,309,048	2,300,728	-8,320	R	Rent Allowance payments are lower than budgeted for due to lower caseload levels than anticipated at Original Estimate, partly offset by lower recovery of benefits overpayments than budgeted for. Any lower payments at year-end will be reflected in less Rent Allowance subsidy grant income received at year-end, as expenditure is funded by subsidy received (see HGBEN/8002z below).	The budget will be updated at Revised Estimate, in line with the Mid-Year Estimate claim prepared for DWP grant purposes.
HGBEN/8026z	Housing Benefits/DWP - LA Data Sharing (LADS) IT Costs	0	0	-12,389	-12,389	R	Additional funding from the DWP to pay for one-off expenditure on revenue system updates to support local authority IT data sharing with the DWP (see HGBEN/2809 below). It was not anticipated at Original Estimate.	The budget will be updated at Revised Estimate to reflect this income.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2016 £	Actual Expenditure including Commitments to the end of July 2016 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/2809	Housing Benefits/Non Recurring Purchases of Equipment etc	0	0	12,389	12,389	R	One-off expenditure for revenue system updates to support local authority IT data sharing with the DWP. It was not anticipated at Original Estimate. It was requested by and fully funded by the DWP in-year (see HGBEN/8026z above).	The budget will be updated at Revised Estimate to reflect this expenditure.
HGBEN/8009z	Housing Benefits/Housing Benefit & CT Benefit Admin Grant	-66,990	-31,085	-36,575	-5,490	R	The Local Council Tax Support administration grant received was higher than the amount budgeted for at Original Estimate.	The budget will be updated at Revised Estimate for this.
HGBEN/8654z	Housing Benefits/DWP - FERIS Start Up and Maint	0	0	-5,015	-5,015	R	This is additional DWP funding for Fraud and Error reduction work in-year that was not anticipated at Original Estimate. Additional costs will be incurred in-year on this fraud and error reduction work.	The budget will be updated at Revised Estimate to reflect this income and any associated expenditure expected in-year.
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-6,988,200	-2,331,260	-2,320,376	10,884	R	Rent Allowance grant subsidy income is lower than anticipated at Original Estimate. The reduced income is in line with estimates prepared for 2015/16 DWP Initial Estimate grant purposes.	The budget will be updated 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	Net Budget for the Full Year £	Net Budget to the end of July 2016 £	Actual Expenditure including Commitments to the end of July 2016 £	Variance £		Reason for Variance
HGBEN/8029z	Housing Benefits/DWP- Housing Benefits New Burden Grant	0	0	-4,660	-4,660	A	Additional grant received in-year that was not anticipated at Original Estimate. One-off New Burdens expenditure can be made against this grant income. The budget will be updated at Revised Estimate to reflect this income and any associated expenditure expected in-year.
CLMKT/2456	Clitheroe Market/Metered Water Supplies	2,140	716	-3,397	-4,113	A	The market water meter has been recording low water readings since Autumn 2014 and may not be recording water usage accurately. Therefore, a creditor was added to expenditure at 2015/16 year-end stage to estimate water usage and amounts due to United Utilities since October 2014. No payment has yet been made against the reversal of this creditor in 2016/17 because we are still awaiting confirmation as to whether the meter is working correctly or must be replaced.
HGBEN/8690z	Housing Benefits/DWP - Implementing Benefit Cap Changes	0	0	-3,663	-3,663	A	This is additional funding received in-year, that was not anticipated at Original Estimate, to reflect the work the Council will do to implement the benefit cap changes. The budget will be updated at Revised Estimate to reflect this income.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2016 £	Actual Expenditure including Commitments to the end of July 2016 £	Variance £		Reason for Variance
CLCEM/8447u	Clitheroe Cemetery/Exclusive Burial Rights	-17,560	-5,852	-9,245	-3,393	A	Additional grave plots now being available in the new cemetery extension have attracted increased plot reservations, along with the normal year-on-year variations in the number of interments and plot reservations.
UCRED/8655n	Universal Credit/DWP - Universal Credits Service Income	0	0	-2,972	-2,972	A	This is the first quarter's income for the Universal Credit Service delivered to Ribble Valley residents on behalf of the DWP. Total income for 2016/17 is estimated at £11,889. This income was not anticipated at Original Estimate. The budget will be updated at Revised Estimate to reflect this income.
CLCEM/8441u	Clitheroe Cemetery/Interment Fees	-18,530	-6,176	-8,871	-2,695	A	More interments income than anticipated, due to the normal year-on-year variations in the numbers of interments.
AWARM/4676	Affordable Warmth/Grants to Individuals	0	0	2,536	2,536	A	Affordable warmth boiler replacement grants and carpet insulation grants provided to eligible residents in Ribble Valley. The expenditure will be funded by previous years' grant funding held in the Government Housing Grants earmarked reserve. The use of funds in reserve will be reflected in this budget at Revised Estimate.