

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

INFORMATION

Agenda Item No 14

meeting date: 20 OCTOBER 2016
 title: REVENUE MONITORING 2016/17
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

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 September 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 September 2016. You will see an overall overspend/decrease in income of £6,885 on the net cost of services. After allowing for transfers to and from earmarked reserves this is decreased to £3,699. Please note that favourable variances 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 September 2016 £	Actual Expenditure including Commitments to the end of September 2016 £	Variance £	
AWARM	Affordable Warmth	0	0	3,186	3,186	A
CLAIR	Clean Air	2,550	698	296	-402	G
CLAND	Contaminated Land	11,780	168	0	-168	G
CLCEM	Clitheroe Cemetery	55,240	9,560	-1,827	-11,387	R
CLMKT	Clitheroe Market	-49,490	-94,534	-106,211	-11,677	R
COMNL	Common Land	2,340	326	38	-288	G
CTBEN	Localised Council Tax Support Admin	100,830	-23,478	-31,694	-8,216	R
DOGWD	Dog Warden & Pest Control	96,340	6,234	9,144	2,910	A
ENVHT	Environmental Health Services	297,640	392	-3,180	-3,572	A

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of September 2016 £	Actual Expenditure including Commitments to the end of September 2016 £	Variance £	
HGBEN	Housing Benefits	115,640	342,743	386,633	43,890	R
HOMEE	Home Energy Conservation	13,780	378	0	-378	G
HOMES	Homelessness Strategy	88,850	13,376	10,065	-3,311	A
HSASS	Housing Associations	6,550	252	11	-241	G
HSTRA	Housing Strategy	55,030	6,444	5,639	-805	G
IMPGR	Improvement Grants	63,920	-3,630	-1,585	2,045	A
JARMS	Joiners Arms	22,180	10,608	10,254	-354	G
PHACT	Public Health Act House Clearance	0	0	0	0	G
SHARE	Shared Ownership Rents	-570	-1,210	-1,209	1	G
SUPPE	Supporting People	31,940	15,564	14,188	-1,376	G
UCRED	Universal Credit	20,550	0	-2,972	-2,972	A
Total Health and Housing Committee		935,100	283,891	290,776	6,885	
Transfers to/(from) Earmarked Reserves						
HGBAL/ H275	Clean Air Reserve - Clean Air Monitoring This reserve consisted of funds originally received from DEFRA and was budgeted to be released annually at the rate of £480 per annum as a contribution towards our clean air monitoring costs. However, the reserve was fully released at 31 March 2016 and the budget shown here is now no longer relevant.	-480	0	0	0	

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of September 2016 £	Actual Expenditure including Commitments to the end of September 2016 £	Variance £
HGBAL/ H339	<p>Government Housing Grants Reserve - Domestic Abuse Support Services</p> <p>£28,370 was received from Lancashire County Council in 2015/16 to fund additional domestic abuse support services between October 2015 and September 2016. £14,190 of this funding was set aside at year-end, to provide funding for the expenditure which has taken place between April 2016 and September 2016.</p> <p>Shown here is the release of these funds from our earmarked reserves to match the related service expenditure</p>	-14,190	-14,190	-14,190	0
HGBAL/ H339	<p>Government Housing Grants Reserve - Affordable Warmth</p> <p>The Council received Affordable Warmth grant from Lancashire County Council in 2015/16. £12,230 was unspent at year-end, so it was set aside in this reserve. £3,186 has been spent on Affordable Warmth measures on the service cost centre so far this year.</p> <p>Shown here is the release of the equivalent funds from our earmarked reserves to match the related service expenditure</p>	0	0	-3,186	-3,186
Total after transfers to/(from) Earmarked Reserves		920,430	269,701	273,400	3,699

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 £3,699 overspend/decrease in income to the end of September 2016 are set down below:

- **Housing Benefits Administration (+£43,890):** There are two main elements to this:
 - +£67,694** - Rent Allowance payments to date are slightly higher than anticipated at Original Estimate and recovery of housing benefits overpayments to date is lower than anticipated. In addition, Rent Allowance grant subsidy income is slightly lower than anticipated at Original Estimate, in line with estimates prepared for 2016/17 DWP Initial Estimate grant purposes. Any higher Rent Allowance payments made in-year will be covered by higher Rent Allowance subsidy grant income at year-end amended for the level of housing benefits overpayments identified and recovered in-year. This variance of £67,694 is likely to rectify itself by the end of the final year.
 - £23,804** – Other Housing Benefits budget codes – The main areas are additional funding received in-year from the DWP and DCLG 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, plus 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.
- **Localised Council Tax Support Administration (-£8,216):** Higher than anticipated Local Council Tax Support Administration funding in-year from the DCLG 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 (-£11,387):** 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.

- **Clitheroe Market (-£11,677):** Low meter readings from a faulty water meter created a one-off water charges underspend. In addition, there has been lower than budgeted expenditure to date on repairs, electricity, publicity and market cover staff. Further expenditure in-year is likely to reduce the underspends in these areas. For example, £1,500 of the publicity budget will be used to fund the Christmas Market and decorations.

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure on the Health and Housing Committee shows an overspend/decrease in income of £6,885, as at the end of September 2016. After allowing for transfers to and from earmarked reserves, the overspend/decrease in income is decreased to £3,699.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH12-16/AC/AC
10 October 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 September 2016 £	Actual including Commitments to the end of September 2016 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CLCEM/8447u	Clitheroe Cemetery/Exclusive Burial Rights	-17,560	-8,780	-14,334	-5,554	R	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.	The budget will be updated at Revised Estimate for this.
CLCEM/8441u	Clitheroe Cemetery/Interment Fees	-18,530	-9,266	-14,719	-5,453	R	More interments income than anticipated, due to the normal year-on-year variations in the numbers of interments.	The budget will be updated at Revised Estimate for this.
CTBEN/8009z	Localised Council Tax Support Admin/Housing Benefit & CT Benefit Admin Grant	-66,990	-40,062	-45,326	-5,264	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/8009z	Housing Benefits/Housing Benefit & CT Benefit Admin Grant	-66,990	-40,062	-45,326	-5,264	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.

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 September 2016 £	Actual including Commitments to the end of September 2016 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
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/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.
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 was fully funded by the DWP in-year (see HGBEN/8026z above).	The budget will be updated at Revised Estimate to reflect this expenditure.

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 September 2016 £	Actual including Commitments to the end of September 2016 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-6,988,200	-3,495,496	-3,480,564	14,932	R	Rent Allowance grant subsidy income is slightly lower than anticipated at Original Estimate. The reduced income is in line with estimates prepared for 2016/17 DWP Initial Estimate grant purposes. Rent Allowance grant subsidy income will be amended at year-end to reflect the amount of Rent Allowance payments made in-year. This means there is no significant decrease in income in practice, at this stage.	The budget will be updated at Revised Estimate, in line with the Mid-Year Estimate claim prepared for DWP grant purposes.
HGBEN/4652	Housing Benefits/Rent Allowance Payments	6,954,970	3,887,826	3,940,588	52,762	R	Rent Allowance payments to date are slightly higher than anticipated at Original Estimate and recovery of housing benefits overpayments to date is lower than anticipated. Any higher Rent Allowance payments made in-year will be covered by higher Rent Allowance subsidy grant income at year-end (see HGBEN/8002z above), amended for the level of housing benefits overpayments identified and recovered in-year. This means there is no significant overspend in practice, at this stage.	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 September 2016 £	Actual including Commitments to the end of September 2016 £	Variance £		Reason for Variance
HGBEN/8029z	Housing Benefits/DWP- Housing Benefits New Burden Grant	0	0	-4,660	-4,660	A	This is an 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.
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.
CLMKT/2456	Clitheroe Market/Metered Water Supplies	2,140	1,072	-3,163	-4,235	A	The market water meter had been recording much lower readings than expected in 2015/16, so budget was set aside at 2015/16 year-end and rolled forward into this year to cover any additional amounts due because of this. Subsequently, the meter was found to be faulty. United Utilities replaced the meter in August 2016 and have confirmed no additional amounts will be payable by the Council. This has created a one-off underspend this year. The budget will be updated at Revised Estimate to reflect this.

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 September 2016 £	Actual including Commitments to the end of September 2016 £	Variance £		Reason for Variance
CLMKT/2402	Clitheroe Market/Repair & Maintenance - Buildings	12,950	7,378	4,971	-2,407	A	Less repairs requirements and spend at the Market than anticipated at Original Estimate for the first half of the year. Further work will be required as the year progresses and the budget will be re-assessed at Revised Estimate alongside the repairs budgets for other Council premises.
CLMKT/2432	Clitheroe Market/Electricity	6,360	3,180	796	-2,384	A	Electricity bills paid by the end of September 2016, only cover the period up to the end of May 2016, so no charges are yet included for June to September 2016. Payment for these months will significantly reduce the current underspend shown here.
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.

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 September 2016 £	Actual including Commitments to the end of September 2016 £	Variance £		Reason for Variance
CLCEM/ 8747u	Clitheroe Cemetery/Exclusive Woodland Burial Rights	0	0	-2,274	-2,274	A	<p>More income than anticipated, due to the normal year-on-year variations in the numbers of exclusive burial rights.</p> <p>Please note - Woodland exclusive burial rights income is now shown separately from other exclusive burial rights income on this new code from August 2016 onwards. This income would previously have been shown under the CLCEM/8447u code (see above). The budget will be re-set for this new code at Revised Estimate.</p>
CLCEM/ 5056	Clitheroe Cemetery/Grounds Maintenance	44,130	22,074	24,948	2,874	A	<p>Increased time input by the Grounds Maintenance team at the cemetery over the summer and early Autumn period, as follows:</p> <ul style="list-style-type: none"> - Milder weather extending later in the year has led to increased grass cutting. - Increased work on burials because of the higher number of interments to date (see higher interment income above). <p>The budget will be re-assessed at Revised Estimate alongside the grounds maintenance budgets for other Council sites.</p>
HOMES/ 4676	Homelessness Strategy/Grants to Individuals	4,450	2,226	40	-2,186	A	<p>To date there have been just three tenancy protection and grant 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 some payments made previously, which has reduced net expenditure further.</p>

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 September 2016 £	Actual including Commitments to the end of September 2016 £	Variance £		Reason for Variance
DOGWD/2401	Dog Warden & Pest Control/R & M Oncosted Wages	4,640	2,322	4,951	2,629	A	Increased time input to the Dog Warden service by the Works Administration team, as follows: - cover for dog bin emptying due to dog warden staff turnover and leave - replacing old and broken dog bins. The budget required for dog bins replacement and dog bin emptying cover is to be re-assessed and updated at Revised Estimate.
DOGWD/8416n	Dog Warden & Pest Control/Pest Control Fees & Charges	-11,940	-5,970	-2,942	3,028	A	Less pest control services provided and income received in-year to date than anticipated. This will be partly due to demand levels and also to there being a 0.5FTE pest control officer vacancy. The services and fees provided by pest control are currently being reviewed. The budget will be reviewed for this at Revised Estimate.
AWARM/4676	Affordable Warmth/Grants to Individuals	0	0	2,786	2,786	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. This will be reflected at Revised Estimate.