

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 15

meeting date: 7 SEPTEMBER 2017  
 title: REVENUE OUTTURN 2016/17  
 submitted by: DIRECTOR OF RESOURCES  
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## 1 PURPOSE

1.1 To report the revenue budget outturn 2016/17 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 maintaining 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 Statement of Accounts have been audited by the Council's external auditors and were approved by the Accounts and Audit Committee at their meeting on 26 July 2017.

2.2 The 2017/18 financial year will be the first where we are required to meet the new deadlines for release of our Statement of Accounts for external audit by the 31 May and approval following audit by 31 July. We undertook to meet this deadline a year earlier and successfully published our Statement of Accounts (subject to audit) for 2016/17 on our website on 1 June. Our final audited Statement of Accounts were approved by Accounts and Audit Committee at their meeting on 26 July 2017.

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

## 3 REVENUE OUTTURN 2016/17

3.1 Shown below, by cost centre, is a comparison of the 2016/17 actual outturn with the revised estimate budget for this Committee. You will see an overall underspend of **£196,873** on the net cost of services. After transfers to and from earmarked reserves, the overall underspend is **£36,911**. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate 2016/17 £	Actual 2016/17 £	Variance £	Associated Earmarked Reserves Variance £	Net Variance £
AWARM	Affordable Warmth	12,230	10,682	-1,548	1,548	0
CLAIR	Clean Air	2,210	2,129	-81	0	-81
CLAND	Contaminated Land	8,870	8,933	63	0	63

Cost Centre	Cost Centre Name	Revised Estimate 2016/17 £	Actual 2016/17 £	Variance £	Associated Earmarked Reserves Variance £	Net Variance £
CLCEM	Clitheroe Cemetery	40,710	36,098	-4,612	-30	-4,642
CLMKT	Clitheroe Market	-46,820	-45,847	973	0	973
COMNL	Common Land	2,350	1,788	-562	0	-562
CTBEN	Localised Council Tax Support Admin	84,450	81,130	-3,320	5	-3,315
DOGWD	Dog Warden & Pest Control	95,460	94,962	-498	250	-248
ENVHT	Environmental Health Services	289,410	289,516	106	0	106
HGBEN	Housing Benefits	96,020	68,115	-27,905	582	-27,323
HOMEE	Home Energy Conservation	10,570	10,529	-41	0	-41
HOMES	Homelessness Strategy	83,550	82,127	-1,423	75	-1,348
HSASS	Housing Associations	6,230	6,177	-53	0	-53
HSTRA	Housing Strategy	49,380	-109,436	-158,816	157,532	-1,284
IMPGR	Improvement Grants	72,750	73,566	816	0	816
JARMS	Joiners Arms	22,110	22,067	-43	0	-43
SHARE	Shared Ownership Rents	-1,210	-1,209	1	0	1
SUPPE	Supporting People	23,480	23,549	69	0	69
UCRED	Universal Credit	8,660	8,661	1	0	1
<b>NET COST OF SERVICES</b>		<b>860,410</b>	<b>663,537</b>	<b>-196,873</b>	<b>159,962</b>	<b>-36,911</b>

#### 4 EARMARKED RESERVES

4.1 Reserves are important to local authorities as, unlike central government, we cannot borrow money over the medium term, other than for investment in assets, and we are required to balance our budgets on an annual basis.

4.2 Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- A contingency to cushion the impact of unexpected events or emergencies. This also forms part of general reserves.
- A means of building up funds or accounting for funds we are committed to spend or to meet known or predicted requirements.

4.3 Our earmarked reserves are accounted for separately but remain legally part of the General Fund.

4.4 The table overleaf provides a comparison of the 2016/17 actual movements in earmarked reserves with the movements in earmarked reserves that were planned at revised estimate stage. Full details are provided of the earmarked reserves that have been impacted and the reasons for the variations on the movements in earmarked reserves.

	Revised Estimate 2016/17 £	Actual 2016/17 £	Variance £	Reasons for variations on the Movements in Earmarked Reserve
<b>Committee Net Cost of Services</b>	<b>860,410</b>	<b>663,537</b>	<b>-196,873</b>	
<b>HGBAL/H337 Equipment Reserve</b> This is where funds are set aside to fund essential and urgent requirements.	100	907	807	<b>£582</b> – More Housing Benefit New Burdens funding received in-year was left unspent at year-end than budgeted for. The unspent funding was set aside in the Equipment Reserve at year-end, to finance any future Housing Benefits New Burdens additional costs that arise. <b>£255</b> - Less spend in-year than budgeted for on dog control order signs and on updating the Council's Local Council Tax Support scheme led to a lower contribution from funds previously set aside to help finance these costs. <b>-£30</b> – More spend in-year than budgeted for on the ashes plot foundation beam led to a higher contribution from funds previously set aside to help finance this cost.
<b>HGBAL/H339 Government Housing Grants Reserve</b> This is where housing related grants received but not spent at the end of each financial year are set aside, to then be committed to grant related expenditure in future years.	-29,760	129,395	159,155	<b>£157,532</b> - Unbudgeted Community Housing Fund grant received from DCLG in late 2016/17, which is ring-fenced for community-led housing. Set aside to fund community-led housing expenditure in future years. <b>£1,548</b> - Revised estimate budget was based on spending all the Affordable Warmth funding held in reserve in 2016/17 or repaying any unspent amounts to Lancashire County Council at year-end. In practice, the Council had unspent funding at year-end, but there was no requirement to repay this. The underspend was set aside to fund Affordable Warmth expenditure in 2017/18. <b>£75</b> – Less actual spend than budgeted for on non-priority homeless temporary accommodation led to a lower contribution from Prevention of Rough Sleeping funding previously set aside.
<b>Committee Net Cost of Services After Movements on Earmarked Reserves</b>	<b>830,750</b>	<b>793,839</b>	<b>-36,911</b>	

5 MAIN VARIATIONS 2016/17

5.1 The main income and expenditure variations are explained at Annex 1. However, a summary of the major variations is set out in the table below.

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
<b>HSTRA</b> Housing Strategy	<p>Community Housing Fund grant was received from DCLG (Central Government) in late 2016/17. The Council had not been informed of this funding at revised estimate stage, so it was not budgeted for. There is no expenditure to set against the grant funding in 2016/17, as community-led housing plans have to be developed in conjunction with local communities/parishes before spending is undertaken over the next five years.</p> <p>This funding was set aside in the Government Housing Grants earmarked reserve at year-end, to fund community-led housing expenditure in future years.</p>	-157,532
<b>HGBEN</b> Housing Benefits	<p>A prudent Rent Allowance payments budget was set at revised estimate stage. Actual payments made in-year were less than budgeted for, after adjusting for non-cash transactions and recovery of overpayments (actual was 0.46% less than the £6.9m budgeted for).</p>	-31,619

6 CONCLUSION

6.1 There have been a number of variations in both income and expenditure between 2016/17 revised estimate and 2016/17 actual outturn. This has given rise to an overall underspend for this Committee of **£196,873** on the net cost of services. After allowing for transfers to and from earmarked reserves the overall underspend is **£36,911**.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH7-17/TH/AC  
25 August 2017

BACKGROUND PAPERS

*Health and Housing Committee Closedown 2016/17*  
*Revised Estimate 2016/17 Virements*  
*Revised Revenue Budget 2016/17 report, 19 January 2017*

For further information please ask for Andrew Cook.

**HEALTH AND HOUSING COMMITTEE  
MAIN VARIANCES 2016/17**

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>AWARM: Affordable Warmth</b>						
<b>Contract payments</b> - Mainly due to an additional payment to cover the final administration costs of the cross-Lancashire "Cosy Homes in Lancashire" grants scheme.	2,605			2,605		2,605
<b>Grants paid to individuals</b> - Less take up of affordable warmth boiler replacement grants and carpet insulation grants schemes across the borough in-year.	-1,128			-1,128		-1,128
<b>Affordable Warmth Public Health Grant</b> - The revised estimate included a budget to repay the expected unspent Affordable Warmth grant monies to Lancashire County Council at year-end. In practice, there was no requirement to repay the actual underspend of £1,548 at year-end.  The underspend was set aside in the Government Housing Grants earmarked reserve, to fund Affordable Warmth expenditure in 2017/18.		-2,240		-2,240	1,548	-692
<b>Total Affordable Warmth</b>	1,477	-2,240	0	-763	1,548	785
<b>CLCEM: Clitheroe Cemetery</b>						
<b>Grounds Maintenance</b> - Reduced hours input at Clitheroe Cemetery from the Grounds Maintenance team than budgeted for at revised estimate.	-3,337			-3,337		-3,337
<b>Exclusive Burial Rights income</b> - Higher income due to year-on-year variations in interments and more plot reservations than expected.		-1,802		-1,802		-1,802

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>Commemorative Trees income</b> – Higher income due to a higher number of tree plots being made available for commemorative tree planting later in the financial year than had been anticipated at revised estimate stage.		-1,023		-1,023		-1,023
<b>Total Clitheroe Cemetery</b>	-3,337	-2,825	0	-6,162	0	-6,162
<b>CLMKT: Clitheroe Market</b>						
<b>Cabins income</b> – Higher occupancy of cabins in-year than anticipated, as several empty cabins known about at revised estimate stage were re-let soon afterwards.		-1,846		-1,846		-1,846
<b>Stalls income</b> – Less day-to-day stalls usage in the last four months of the financial year than estimated for at revised estimate stage.		1,356		1,356		1,356
<b>Total Clitheroe Market</b>	0	-490	0	-490	0	-490
<b>CTBEN: Localised Council Tax Support Admin</b>						
<b>Overpayments of Council Tax Benefits</b> - Following the introduction of Local Council Tax Support in 2013/14, the Council can retain any overpayments of the now abolished Council Tax Benefit that have been recovered in-year. Recovery of such overpayments was higher than the prudent revised estimate budget set for this income.		-4,943		-4,943		-4,943
<b>Resources - Revenue Services recharge</b> - Higher support service recharge from Revenue Services due to an increase in net expenditure in that department.			1,319	1,319		1,319
<b>Total Localised Council Tax Support Admin</b>	0	-4,943	1,319	-3,624	0	-3,624

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>ENVHT: Environmental Health Services</b>						
<b>Private Water Samples income</b> – The revised estimate budget included additional income from starting the new round of private water supplies risk assessments between January and March 2017. This work did not take place because the approach to incorporating and charging for RADON risk in the assessments was not decided in-year.		1,699		1,699		1,699
<b>Chief Executive service recharge</b> – Increase in support costs recharge from the Chief Executive's department due to an increase in net expenditure in that department.			1,560	1,560		1,560
<b>Total Environmental Health Services</b>	0	1,699	1,560	3,259	0	3,259
<b>HGBEN: Housing Benefits</b>						
<b>Rent Allowance payments</b> - Prudent Rent Allowance payments budget set at revised estimate. Actual payments made in-year were less than budgeted for, after adjusting for non-cash transactions and recovery of overpayments (actual was 0.46% less than the £6.9m budgeted for).	-31,619			-31,619		-31,619
<b>Rent Allowance Grant income</b> - Less Housing Benefits subsidy grant received than budgeted for, to reflect less Rent Allowances paid out in-year (see above).		4,344		4,344		4,344
<b>Rent Rebate payments</b> - Less Rent Rebate related occupancy and payments at the Council's homeless hostel than budgeted for.	-13,485			-13,485		-13,485
<b>Rent Rebate Grant income</b> - Less Housing Benefits subsidy grant received than budgeted for, to reflect less Rent Rebates paid out in relation to the Council's homeless hostel (see above).		11,301		11,301		11,301

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>Resources - Revenue Services recharge</b> - Higher support service recharge from Revenue Services due to an increase in net expenditure in that department.			1,298	1,298		1,298
<b>Total Housing Benefits</b>	-45,104	15,645	1,298	-28,161	0	-28,161
<b>HSTRA: Housing Strategy</b>						
<b>Postages</b> – This budget is for housing needs surveys postage costs. No postal housing needs surveys were undertaken in 2016/17, because the housing officer post responsible for these surveys was vacant between October and March.	-1,550			-1,550		-1,550
<b>DCLG Community Housing Fund income</b> - Community Housing Fund grant income was received from DCLG (Central Government) in late 2016/17. The Council had not been informed of this funding at revised estimate stage, so it was not budgeted for. There is no expenditure to set against the grant funding in 2016/17, as community-led housing plans have to be developed in conjunction with local communities/parishes before spending is undertaken over the next five years.  This funding was set aside in the Government Housing Grants earmarked reserve at year-end, to fund community-led housing expenditure in future years.		-157,532		-157,532	157,532	0
<b>Total Housing Strategy</b>	-1,550	-157,532	0	-159,082	157,532	-1,550
<b>Other variances</b>	-3,870	-2,150	4,170	-1,850	882	-968
<b>Total Variances for Health and Housing Committee</b>	-52,384	-152,836	8,347	-196,873	159,962	-36,911