

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 16

meeting date: 7 SEPTEMBER 2017  
 title: REVENUE MONITORING 2017/18  
 submitted by: DIRECTOR OF RESOURCES  
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### 1 PURPOSE

1.1 To provide this Committee with information relating to the progress of the 2017/18 revenue budget, as at the end of July 2017.

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 2017/18

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate budget for the period April 2017 to July 2017. You will see an overall underspend of £79,525 on the net cost of services, as at the end of July 2017. After allowing for transfers to and from earmarked reserves, the underspend is decreased to £28,061. 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 2017 £	Actual including Commitments to the end of July 2017 £	Variance £	
APLAC	Alma Place Unit	5,170	2,590	2,596	6	G
AWARM	Affordable Warmth	0	0	250	250	G
CLAIR	Clean Air	2,810	562	120	-442	G
CLAND	Contaminated Land	8,990	0	0	0	G
CLCEM	Clitheroe Cemetery	59,950	6,864	2,863	-4,001	A
CLMKT	Clitheroe Market	-46,220	-92,906	-100,931	-8,025	R
COMNL	Common Land	2,360	222	14	-208	G
CTBEN	Localised Council Tax Support Admin	111,770	-19,095	-20,724	-1,629	G
DOGWD	Dog Warden & Pest Control	98,840	3,404	1,750	-1,654	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £	
ENVHT	Environmental Health Services	293,200	-2,000	-1,489	511	G
HGBEN	Housing Benefits	128,770	-62,888	-73,275	-10,387	R
HOMEE	Home Energy Conservation	13,170	140	0	-140	G
HOMES	Homelessness Strategy	82,000	7,616	-32,525	-40,141	R
HSASS	Housing Associations	6,670	172	830	658	G
HSTRA	Housing Strategy	51,880	6,314	5,598	-716	G
IMPGR	Improvement Grants	73,670	-2,156	0	2,156	A
JARMS	Joiners Arms	15,710	4,951	-9,653	-14,604	R
SHARE	Shared Ownership Rents	-1,230	-1,230	-1,227	3	G
SUPPE	Supporting People	11,880	928	0	-928	G
UCRED	Universal Credit	9,400	0	-234	-234	G
<b>Total Health and Housing Committee</b>		<b>928,790</b>	<b>-146,512</b>	<b>-226,037</b>	<b>-79,525</b>	
<b>Transfers to/(from) Earmarked Reserves</b>						
Government Housing Grants Reserve - Prevention of Rough Sleeping		-130	0	0	0	
Government Housing Grants Reserve - Flexible Homelessness Support Grant		-1,450	-1,450	-1,450	0	
Government Housing Grants Reserve - Single Homelessness Initiative Support Grant		0	0	38,860	38,860	
Equipment Reserve - Joiners Arms Furniture Sinking Fund		0	0	12,604	12,604	
Equipment Reserve - LCTS s31 New Burdens Funding		-2,800	0	0	0	
<b>Total after transfers to/(from) Earmarked Reserves</b>		<b>924,410</b>	<b>-147,962</b>	<b>-176,023</b>	<b>-28,061</b>	

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 £28,061 underspend to the end of July 2017, after transfers to and from earmarked reserves, are:
- **Housing Benefits administration funding (-£11,000):** Additional funding received in-year from the DWP that was not anticipated at original estimate, covering Right Benefit Initiative, Discretionary Housing Payments administration and Implementing Benefit Cap Changes. This additional funding will be taken to General Fund balances at year-end, unless spent on relevant areas in-year.
  - **Housing Benefits Discretionary Housing Payments funding (-£4,293):** Actual Discretionary Housing Payments grant funding is higher than estimated at original estimate, because the Council was not notified of the yearly funding level until after the budget was set. The budget will be updated at Revised Estimate stage to reflect this additional income and it is likely that more discretionary housing payments will be made in-year, given the increased funding.
  - **Clitheroe Market cabins income (-£4,820):** Cabins income is higher than budgeted for because occupancy levels to date are higher than estimated. Note - The actual includes all cabins income invoiced for the full year in April 2017, so if any cabin holder leaves in-year, then the cabins income will drop if there is a vacant period for that cabin.
  - **Clitheroe Cemetery grounds maintenance (-£3,243):** Less work by the Grounds Maintenance team to date compared to budget. This will be partly due to less interments than estimated.
- 2.5 Other points to note from the variance review are as follows:
- Joiners Arms Repairs and Maintenance overspend, +£3,426, is unlikely to rectify itself by year-end. Thus, further repairs work in-year will be focussed on risk areas only and the budget will be updated at Revised Estimate stage, along with the overall Joiners Arms budget position and the overall Repairs and Maintenance budgets for all Council properties.
  - Environmental Health Private Water Samples reduced income, +£2,946, may be difficult to catch up across the rest of the financial year. The Environmental Health team are reviewing work plans to see if more staff resources can be put into this area during the rest of the year to catch up on testing and the budget will be updated at Revised Estimate to reflect the latest work plans.
  - The DCLG Flexible Homelessness Support Grant and Joiners Arms Furniture Sinking Fund additional income received will be set aside in earmarked reserves at year-end, unless spent on relevant areas in-year.

- The variances noted for Housing Benefits Rent Allowance payments and Rent Allowances Grant income broadly balance each other out. Any lower Rent Allowance payments at year-end will be broadly reflected in less Rent Allowance subsidy grant income received at year-end, after adjustments for recovery of benefits overpayments and non-cash transactions.

### 3 CONCLUSION

- 3.1 The comparison between actual expenditure and budget on the Health and Housing Committee shows an underspend of £79,525, as at the end of July 2017. After allowing for transfers to and from earmarked reserves, the underspend is decreased to £28,061.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH8-17/AC/AC  
29 August 2017

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 July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HOMES/8759z	Homelessness Strategy/DCLG - Flexible Homelessness Support Grant	-3,720	-1,140	-40,000	-38,860	R	DCLG Flexible Homelessness Support Grant received from DCLG for 2017/18, which was not known about when the 2017/18 Original Estimate was set. Some of this grant has already been used to fund enabling work at the new homeless unit (16 Alma Place) purchased in July 2017.	These funds may be used to support further relevant homelessness prevention spend in-year. For example, a significant amount will be used to cover the difference between rent rebates paid on behalf of people in Joiners Arms by the Council and the reduced housing benefits subsidy levels that can be claimed to support these payments, following a change in DWP benefits rules from 1 April 2017.  Any unspent amounts at year-end will be set aside in earmarked reserves. The budget will be updated for this at Revised Estimate.

## Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/4652	Housing Benefits/Rent Allowance Payments	6,626,900	2,200,130	2,176,363	-23,767	R	Rent Allowance payments are slightly lower than budgeted for due to different caseload levels than anticipated at Original Estimate, plus any adjustments for recovery of benefits overpayments. Any lower payments at year-end will be reflected in less Rent Allowance subsidy grant income received at year-end, as expenditure is broadly funded by subsidy received (see HGBEN/8002z below).	Budget to be amended at Revised Estimate, in line with the Mid-Year Estimate claim prepared for DWP grant purposes.
JARMS/8605z	Joiners Arms/Other Income	0	0	-12,644	-12,644	R	Mainly due to £12,604 received from Ribble Valley Homes for the Furniture Sinking Fund when management of Joiners Arms transferred to the Council. It is for standard purchasing of basic furniture and equipment at Joiners Arms and is a reserve.	Process to be put in place re how we spend this fund and top up the fund.  Any unspent amounts at year-end will be set aside in earmarked reserves. The budget will be updated for this at Revised Estimate.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
JARMS/8802u	Joiners Arms/Dwelling Rents	-17,100	-5,704	-11,173	-5,469	R	<p>This is due to:</p> <ul style="list-style-type: none"> <li>- Occupancy at Joiners Arms being higher than expected for the year to date; and</li> <li>- Both rent and service charge income is included in this code to date. The reduced income on Service Charges budget (see JARMS/8615z below) partly offsets the increased income included here.</li> </ul> <p>The rent and service charge income to date is £1,569 higher than the combined budgets for dwelling rents and service charges. However, income can fluctuate within Joiners Arms throughout the year, due to the demand-led and short-term nature of the tenancies.</p>	The budget will be updated for this at Revised Estimate stage.
HGBEN/8758z	Housing Benefits/DWP - Right Benefit Initiative	0	0	-5,000	-5,000	R	<p>This is additional DWP funding for Right Benefit Initiative work in-year that was not anticipated at Original Estimate. This income is to fund additional RTIs referrals work that the Council will undertake in-year.</p>	The budget will be updated at Revised Estimate stage to reflect this income.

## Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-6,662,760	-2,222,696	-2,193,248	29,448	R	Rent Allowance grant subsidy income is lower than anticipated when the Original Estimate budget was prepared. The reduced income is in line with estimates prepared for 2017/18 DWP Initial Estimate grant purposes.	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 July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £		Reason for Variance
CLMKT/ 8824n	Clitheroe Market/Cabins	-99,290	-99,290	-104,110	-4,820	A	Cabins income is higher than budgeted for because occupancy levels to date are higher than estimated. Note - The actual includes all cabins income invoiced for the full year in April 2017, so if any cabin holder leaves in-year, then the cabins income will drop if there is a vacant period for that cabin.
HGBEN/ 8060z	Housing Benefits/DWP - Discretionary Housing Payments Income	-33,750	-11,253	-15,546	-4,293	A	Actual Discretionary Housing Payments grant funding is higher than estimated at Original Estimate, because the Council was not notified of the yearly funding level until after the budget was set. The budget will be updated at Revised Estimate stage to reflect this additional income.
HGBEN/ 8765Z	Housing Benefits/DWP - Discretionary Housing Payment Administration	0	0	-3,592	-3,592	A	This is additional funding received in-year that was not anticipated at Original Estimate, to reflect the burden on the Council of administering DHPs in-year. The budget will be updated at Revised Estimate stage to reflect this income.
CLCEM/ 5056	Clitheroe Cemetery/Grounds Maintenance	50,640	16,892	13,649	-3,243	A	Less work by the Grounds Maintenance team to date compared to budget. This will be partly due to less interments than estimated.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £		Reason for Variance
HGBEN/8026z	Housing Benefits/DWP - LA Data Sharing (LADS) IT Costs	0	0	-3,133	-3,133	A	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 stage. The budget will be updated at Revised Estimate stage to reflect this income.
HGBEN/8690z	Housing Benefits/DWP - Implementing Benefit Cap Changes	0	0	-2,408	-2,408	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 stage to reflect this income.
ENVHT/8417u	Environmental Health Services/Private Water Samples	-9,000	-3,004	-58	2,946	A	No risk assessments have been carried out on the new risk assessment round so far this year, mainly because the approach to incorporating and charging for RADON risk has still to be decided. This has also meant no monitoring visits/samples carried out to date. This lost income may be difficult to catch up across the rest of the financial year. The Environmental Health team are reviewing work plans to see if more staff resources can be put into this area during the rest of the year to catch up on testing. The budget will be updated at Revised Estimate to reflect the latest work plans.

## Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £		Reason for Variance
HGBEN/2809	Housing Benefits/Non Recurring Purchases of Equipment etc	0	0	3,133	3,133	A	Unbudgeted one-off expenditure for revenue system updates to support local authority IT data sharing with the DWP. It was not anticipated at Original Estimate stage. 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 stage to reflect this expenditure.
HGBEN/8007z	Housing Benefits/HRA Rent Rebate Grant	-31,000	-10,340	-7,036	3,304	A	Rent Rebate grant subsidy income is lower than anticipated when the Original Estimate budget was prepared. The reduced income is in line with estimates prepared for 2017/18 DWP Initial Estimate grant purposes. 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 July 2017 £	Actual including Commitments to the end of July 2017 £	Variance £		Reason for Variance
JARMS/2402	Joiners Arms/Repair & Maintenance - Buildings	7,880	4,728	8,154	3,426	A	<p>The budget required for Joiners Arms was a broad estimate as this is the first year of the Council taking back the management of the unit. More repairs and enabling works than expected have been required to date in areas such as additional fire safety and compartmentalisation work, updating of all fire alarm equipment, cutting off the gas supply and re-tarmacing the external areas around the building. Further costs have also been incurred in August to date on additional fire safety work, so the amount spent in-year so far is higher than the full year repairs budget.</p> <p>Further repairs work in-year will be focussed on risk areas only. In addition, the budget will be updated for this at Revised Estimate stage, along with the overall Joiners Arms budget position and the overall Repairs and Maintenance budgets for all Council properties.</p>
JARMS/8615z	Joiners Arms/Service Charges	-11,700	-3,900	0	3,900	A	<p>Service Charges income is all accounted for in the Dwelling Rents code (see JARMS/8802u above). The budget will be updated for this at Revised Estimate stage.</p>