

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 7

meeting date: 18 JANUARY 2018
title: ORIGINAL REVENUE BUDGET 2018/19
submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

- 1.1 To agree this committee's draft revenue budget for 2018/19, for consideration at Special Policy and Finance Committee.

2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

- 2.1 In September we updated the Council's four year Budget Forecast which predicted budget gaps as follows: £774k in 2018/19, £956k in 2019/20, £1,139k in 2020/21.
- 2.2 In October 2016 this Council submitted an Efficiency Plan to the Government in order to secure a multi year finance settlement. We were notified on 16 November 2016 that we are now formally on the multi-year settlement and can expect to receive the allocations published as part of the 2016/17 local government finance settlement in 2017/18, 2018/19 and 2019/20.
- 2.3 On 19 December we were informed of the provisional Local Government Finance Settlement for 2018/19. As anticipated the figures provided previously in the multi-year settlement will be honoured. Additionally, the Government announced that our Rural Services Delivery Grant will not be reduced to £66,618 as previously indicated, but will instead remain at £86,603, as received in 2017/18.

3 BUDGET WORKING GROUP

- 3.1 The Budget Working Group have been undertaking detailed reviews over the past few months of the various funding streams of the council. These have particularly focused on Business Rates, New Homes Bonus and Council Tax. This will be further reviewed now that the full details of the individual committee budgets have been calculated, and once the Local Government Finance Settlement has been announced.

4 BUDGET PROCESS

- 4.1 Presented to committee for decision in October were the proposed fees and charges for 2018/19. The consequential impact of these approved fees and charges have been incorporated into the service budgets shown within this report.
- 4.2 Following a great deal of in-depth service analysis and meetings with regard to this committee's budgets by the council's accountants, budget holders, heads of service and management team, a proposed draft budget is now presented to members. This budget is agreed as that which best reflects the services of this committee for the next financial year.

4.3 When all committees have approved their detailed estimates the overall position will be considered by Budget Working Group.

4.4 The Budget Working Group will then make recommendations in order to produce a balanced budget for consideration at the Special meeting of Policy and Finance Committee. The final budget report will then be presented to Full Council, at which point the Council Tax for 2018/19 will also be approved.

5 2018/19 DRAFT REVENUE BUDGET

5.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for pay and price increases at 2%.

5.2 Within this report the budget is shown in the same manner in which they are reviewed. Each cost centre within the report is shown individually. Behind each cost centre are more detailed subjective level budgets, but for the purposes of this report they are summarised into the standard local government CIPFA Service Reporting Code of Practice basis:

- **Employee Related:** this group includes the cost of employees, both direct and indirect to the council.
- **Premises Related:** this group includes expenses directly related to the running of premises and land.
- **Transport Related:** this group includes all costs associated with the provision, hire or use of transport, including travelling allowances.
- **Supplies and Services:** this group includes all direct supplies and service expenses to the council.
- **Third Party Payments:** a third party payment is a payment to an external provider which is operating independently, in return for the provision of a service.
- **Transfer Payments:** this includes the cost of payments to individuals for which no goods or services are received in return by the local authority. A key item here would be the payment of housing benefits.
- **Support Services:** charges for services that support the provision of services to the public. At this council the main support service cost is the support from staff based at the council office's building and the building's associated cost.
- **Depreciation and Impairment:** this is the revenue impact of capital items shown in the service revenue accounts of the council.
- **Income:** this includes income from fees and charges, grants, donations and contributions. Also shown here is the associated 'income' to a support service from the redistribution of its costs to those providing services to the public.

5.3 As you will see, the draft proposed budget for 2018/19 for each service area is also built up looking at a number of stages. The starting point is the base budget, being the Original Estimate for the current financial year. A summary of the various elements is given below:

- **Original Estimate 2017/18:** This represents the base budget for the council and assumes no change in service level from that set for the previous year's original estimate.
- **Savings:** Here any savings or additional income that is identified from past service experience or trends would be brought into the budget to adjust the base budget.
- **Inflation at 2%:** The budget forecast allows for inflation on pay and prices at 2% (with some exceptions such as grants). This is where that general allowance for inflation is brought into the individual budget areas.
- **Variation to Standard Budgeted Inflation %:** Inevitably, as we undertake detailed work on the budget it becomes evident that there are some items of income or spend that experience a greater or lower level of inflation. This is where we adjusted for those differing levels of inflation. An example is energy costs.
- **Unavoidable Changes to Service Costs:** This relates to changes to a service, for example where costs are demand driven. In past years items included under the new 'Savings' heading were also included here.
- **Support Services:** Any changes that relate to the recharging of support service costs are included in this column.
- **Capital:** Any changes relating to depreciation and impairment are included in this column.
- **DRAFT Original Estimate 2018/19:** The final column is the total of all preceding columns and is constructed from the base budget and any necessary changes to the base that are needed. If approved this will then form the base budget in next year's budget process.

5.4 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2017/18 Original Estimate, to the DRAFT Original Estimate for 2018/19. Comments are also provided on the main variances.

6 COMMITTEE SERVICE ESTIMATES

6.1 Cost Centre and Description APLAC: Alma Place Unit

A one-bedroom property providing move-on accommodation for people previously supported in other homelessness accommodation.

Note - The original estimate was NIL because the opportunity to purchase the leasehold on the property and run it as move-on accommodation was not identified until Spring/Summer 2017. All the budgets added in are for the first full year of operation of the property.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Premises Related Expenditure	0		0		1,700			1,700
Supplies & Services	0		0		580			580
Support Services	0		0			700		700
Depreciation and Impairment	0		0				530	530
Total Expenditure	0	0	0	0	2,280	700	530	3,510
Customer & Client Receipts	0		0		-2,830			-2,830
Total Income	0	0	0	0	-2,830	0	0	-2,830
Net Expenditure	0	0	0	0	-550	700	530	680

APLAC: Alma Place Unit**Commentary on Substantial Budget Changes****Premises Related Expenditure - unavoidable changes to service costs, +£1,700**

Full year budgets for repairs, service charges, insurance, furniture and equipment, plus void costs for cleaning, utilities and council tax that fall to the council when the property is vacant.

Customer & Client Receipts - unavoidable changes to service costs, -£2,830

Full year rent and furniture and equipment charge estimated income, after allowing for void periods.

6.2 **Cost Centre and Description** AWARM: Affordable Warmth

Services available to help vulnerable residents stay warm in winter – the services available are dependent on grant provided by Lancashire County Council.

Note - This is an estimate of affordable warmth grant funding that will be unspent at the end of 2017/18 and will be rolled forward into 2018/19 to be spent on services such as home safety/energy efficiency checks, path clearance and fuel top up grants.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Third Party Payments	0		0		600			600
Transfer Payments	0		0		150			150
Total Expenditure	0	0	0	0	750	0	0	750
Net Expenditure	0	0	0	0	750	0	0	750
Associated Movement in Earmarked Reserves	0		0		-750			-750
Net After Earmarked Reserves	0	0	0	0	0	0	0	0

6.3 **Cost Centre and Description** CLAIR: Clean Air

The Council is required to undertake periodic screening and assessments of local air quality. To meet the requirements, the Council undertakes local air quality monitoring, including localised monitoring of NOx on Whalley Road, Clitheroe, associated with traffic congestion.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	1,380		30		290			1,700
Support Services	1,140		0			70		1,210
Total Expenditure	2,520	0	30	0	290	70	0	2,910
Net Expenditure	2,520	0	30	0	290	70	0	2,910

6.4 **Cost Centre and Description** CLAND: Contaminated Land

The authority has a statutory duty under Part IIA of the Environmental Protection Act 1990 to produce a contaminated land strategy, setting out how it intends to identify and subsequently see remedied any land in its area that is considered to be contaminated.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Support Services	8,990		0			-530		8,460
Total Expenditure	8,990	0	0	0	0	-530	0	8,460
Net Expenditure	8,990	0	0	0	0	-530	0	8,460

6.5 **Cost Centre and Description** CLCEM: Clitheroe Cemetery

The Council provides a municipal cemetery service at Clitheroe Cemetery, primarily for the residents of Ribble Valley. This includes traditional burials and interment of ashes, woodland burial and also a remembrance arboretum.

The Council is also responsible for several closed churchyards that have been entrusted to the Council within 12 months of their closure. These are St Bartholomew's at Chipping, St Mary Magdalene's and St James's at Clitheroe and a portion of St Mary's at Gisburn. This includes the grounds maintenance, upkeep of walls, fences, paths and the safety of headstones.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Premises Related Expenditure	68,090		1,360	60	-4,480			65,030
Supplies & Services	4,860		100		990			5,950
Support Services	30,850		0			-1,100		29,750
Depreciation and Impairment	6,120							6,120
Total Expenditure	109,920	0	1,460	60	-3,490	-1,100	0	106,850
Customer & Client Receipts	-49,970		-1,000	-16,980	-850			-68,800
Total Income	-49,970	0	-1,000	-16,980	-850	0	0	-68,800
Net Expenditure	59,950	0	460	-16,920	-4,340	-1,100	0	38,050

CLCEM: Clitheroe Cemetery

Commentary on Substantial Budget Changes

Premises Related Expenditure - unavoidable changes to service costs, -£4,480

The main reason is a projected decrease in grounds maintenance team charges of £4,770, based on the projected hours to be input in 2018/19. In addition, there is a £290 net increase as a result of minor changes on other premises related budgets.

Support Services, -£1,100

A net decrease in expenditure following a re-assessment of costs to date and time allocations in support services areas, with the main decreases being in Financial Services and the Chief Executive's department.

Customer & Client Receipts - variation to standard budgeted inflation, -£16,980

An estimated increase in interments, exclusive burial rights and monuments fees income, based on the higher than inflation increases in 2018/19 fees approved by Health and Housing Committee in October 2017. The impact of the fees increase on the actual numbers of interments, exclusive burial rights and monuments fees may differ in practice to what is estimated here.

6.6 **Cost Centre and Description** CLMKT: Clitheroe Market

The market site was redeveloped in 1995 to provide a modern facility with adjacent car parking. General retail markets are held on three days per week (Tuesday, Thursday and Saturday) with a collectors market held on Friday. Cabins are rented to market traders under contract arrangements. Stalls and pitches are also provided for traders.

Note - The 2018/19 original estimate is based on a normal trading year for the market. This will be re-visited at revised estimate stage for 2018/19.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	1,550		30		440			2,020
Premises Related Expenditure	35,640		710	790	-4,250			32,890
Supplies & Services	3,060		60					3,120
Support Services	36,300		10			2,150		38,460
Depreciation and Impairment	8,790		0				380	9,170
Total Expenditure	85,340	0	810	790	-3,810	2,150	380	85,660
Customer & Client Receipts	-125,270		-2,510		-2,560			-130,340
Miscellaneous Recharges	-6,290		-130		-50			-6,470
Total Income	-131,560	0	-2,640	0	-2,610	0	0	-136,810
Net Expenditure	-46,220	0	-1,830	790	-6,420	2,150	380	-51,150

CLMKT: Clitheroe Market

Commentary on Substantial Budget Changes

Premises Related Expenditure - unavoidable changes to service costs, -£4,250

The main reasons are an estimated reduction in repairs expenditure at the market of £3,930, in the context of repairs required across all Council properties, and an estimated reduction in electricity costs of £1,050. In addition, there is a £730 net increase as a result of minor changes on other premises related budgets.

Support Services, +£2,150

A net increase in expenditure following a re-assessment of costs to date and time allocations in support services areas, with the main increases being in Community Services, Financial Services and Legal Services.

Customer & Client Receipts - unavoidable changes to service costs, -£2,560

The main reason is an estimated increase in cabins income of £3,240, based on the increased cabins occupancy to date in 2017/18 continuing in 2018/19. In addition, stalls and pitches income is estimated to reduce by £680, based on projected income levels for 2018/19 being similar to those currently estimated for 2017/18.

6.7 **Cost Centre and Description** CMGHH: Community Groups - Health & Housing

The Council's Partnerships and Regeneration teams work with community groups to enable them to:

- work in partnership with other public sector agencies and common interest groups
- gain access to grant funding streams; and
- support vulnerable groups in the borough.

Note - This budget has been transferred from the Planning department budget, because this work on behalf of the community is better aligned with the Health and Housing Committee's supporting people agenda.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Support Services	0		0			46,300		46,300
Total Expenditure	0	0	0	0	0	46,300	0	46,300
Net Expenditure	0	0	0	0	0	46,300	0	46,300

CMGHH: Community Groups - Health & Housing

Commentary on Substantial Budget Changes

Support Services +£46,300

Full year budget, based on an allocation of partnership officer and regeneration staff time costs and other costs related to working with community groups.

6.8 **Cost Centre and Description** COMNL: Common Land

The Council has a responsibility for the management of the common land at Salesbury and Copster Green, and an overseeing role regarding common land in general.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Premises Related Expenditure	660		10		-10			660
Support Services	1,700		0			60		1,760
Total Expenditure	2,360	0	10	0	-10	60	0	2,420
Net Expenditure	2,360	0	10	0	-10	60	0	2,420

6.9 **Cost Centre and Description** CTBEN: Localised Council Tax Support Admin

District councils have a statutory duty to administer claims for Local Council Tax Support and respond to any legacy issues raised regarding Council Tax Benefit. This involves producing forms for the public to complete and then processing them on a bespoke computer system once evidence of all income and savings has been verified. We are also required to investigate suspected fraudulent claims.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	260		10					270
Supplies & Services	20,070		400		370			20,840
Support Services	154,910		0			230		155,140
Total Expenditure	175,240	0	410	0	370	230	0	176,250
Government Grants	-66,270		-1,330		7,960			-59,640
Total Income	-66,270	0	-1,330	0	7,960	0	0	-59,640
Net Expenditure	108,970	0	-920	0	8,330	230	0	116,610

CTBEN: Localised Council Tax Support Admin

Commentary on Substantial Budget Changes

Government Grants - unavoidable changes to service costs, +£7,960

An estimated reduction of £7,960 in Housing Benefits and Local Council Tax Support administration grant funding for 2018/19, based on the trend for funding reductions in recent years. Note - The actual allocations from the DWP and the DCLG will be confirmed in due course.

6.10 **Cost Centre and Description** DOGWD: Dog Warden & Pest Control

A dedicated pest control and dog warden service is provided in the Borough. The pest control service deals with the control and eradication of a range of public health pests in private residential and commercial premises and also the control and eradication of rodents within the public sewer system. The dog warden service deals with dog-related complaints, including stray dogs, dog fouling and noise arising from barking dogs.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Premises Related Expenditure	23,660		480		1,590			25,730
Transport Related Expenditure	4,720		90		-10			4,800
Supplies & Services	3,960		80					4,040
Third Party Payments	4,380		90					4,470
Support Services	76,940		0			-1,460		75,480
Depreciation and Impairment	4,270							4,270
Total Expenditure	117,930	0	740	0	1,580	-1,460	0	118,790
Other Grants and Contributions	-2,340		-50		110			-2,280
Customer & Client Receipts	-16,310		-320		270			-16,360
Miscellaneous Recharges	-440		-10		80			-370
Total Income	-19,090	0	-380	0	460	0	0	-19,010
Net Expenditure	98,840	0	360	0	2,040	-1,460	0	99,780

DOGWD: Dog Warden & Pest Control

Commentary on Substantial Budget Changes

Premises Related Expenditure - unavoidable changes to service costs, +£1,590

Increased input to dog warden work by the Grounds Maintenance team of £980 and the dog warden & pest control share of increased depot costs for 2018/19 of £610.

Support Services, -£1,460

A net decrease in expenditure following a re-assessment of costs to date and time allocations in support services areas, with the main decrease being in Financial Services.

6.11 **Cost Centre and Description** ENVHT: Environmental Health Services

These functions are principally regulatory and consist mainly of staff time spent on food control, health and safety work, nuisance complaint investigation, private water supply regulation, infectious diseases, Local Authority Pollution Prevention Control, associated registration of premises and animal welfare licensing.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	11,040	-290	210		660			11,620
Support Services	310,390		0			8,680		319,070
Total Expenditure	321,430	-290	210	0	660	8,680	0	330,690
Customer & Client Receipts	-27,940		-540	-840	10			-29,310
Total Income	-27,940	0	-540	-840	10	0	0	-29,310
Net Expenditure	293,490	-290	-330	-840	670	8,680	0	301,380

ENVHT: Environmental Health Services

Commentary on Substantial Budget Changes

Support Services, +£8,680

A net increase in expenditure following a re-assessment of costs to date and time allocations in support services areas, with the main increase being in the Chief Executive's department. Note - This increase represents a 2.8% increase in recharges from the 2017/18 original estimate, so is mainly a reflection of inflation increases between 2017/18 and 2018/19.

6.12 **Cost Centre and Description** HGBEN: Housing Benefits

District councils have a statutory duty to administer claims for housing benefit. This involves producing forms for the public to complete and then processing them on a bespoke computer system once evidence of all rental income and savings has been verified.

The Council pays out Housing Benefits to eligible claimants and these payments are reimbursed by subsidy grant received from the DWP.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	260		10					270
Supplies & Services	20,900		420		-290			21,030
Transfer Payments	6,701,010		134,020	-133,330	-367,790			6,333,910
Support Services	202,850		0			2,900		205,750
Total Expenditure	6,925,020	0	134,450	-133,330	-368,080	2,900	0	6,560,960
Government Grants	-6,796,250		-135,940	133,880	356,440			-6,441,870
Total Income	-6,796,250	0	-135,940	133,880	356,440	0	0	-6,441,870
Net Expenditure	128,770	0	-1,490	550	-11,640	2,900	0	119,090

HGBEN: Housing Benefits

Commentary on Substantial Budget Changes

Transfer Payments - variation to standard budgeted inflation, -£133,330

This is mainly due to no inflation related increase planned for most housing benefits payments as a result of the 1% reduction in social rents and freezes on local housing allowance and other applicable amounts payable to benefit claimants.

Transfer Payments - unavoidable changes to service costs, -£367,790

The main reason is a £372,660 estimated reduction in Rent Allowance benefit payments because of a reducing claimant caseload and migration of some benefit claims to Universal Credit in 2018/19. Note - Universal Credit is administered by the DWP rather than the Council. In addition, there is a £8,010 estimated reduction in Rent Rebate benefit payments, based on the reduced payments estimated to date in 2017/18 continuing in 2018/19, and a £12,880 estimated increase in discretionary housing payments made, based on estimated funding received from the DWP in 2018/19 being at a similar level to the funding received in 2017/18.

Support Services, +£2,900

A net increase in expenditure following a re-assessment of costs to date and time allocations in support services areas, with the main increase being in Financial Services.

Government Grants - variation to standard budgeted inflation, +£133,880

This is mainly due to a reduction in housing benefits subsidy from the DWP due to no inflation related increase planned for most housing benefits payments (see above).

Government Grants - unavoidable changes to service costs, +£356,440

This is mainly due to a £361,060 estimated reduction in Rent Allowance subsidy from the DWP, due to lower Rent Allowance payments (see above). In addition, there is a £9,890 estimated reduction in Rent Rebate subsidy from the DWP, due to lower Rent Rebate payments (see above), an estimated reduction of £7,960 in Housing Benefits and Local Council Tax Support administration grant funding for 2018/19, based on the trend for funding reductions in recent years, and an estimated net reduction of £420 for other New Burdens related DWP funding in 2018/19. These reductions are partly offset by a £13,140 estimated increase in discretionary housing payments funding from the DWP and a £9,750 estimated receipt of Flexible Homelessness Support Grant, to help cover Rent Rebate subsidy not received from the DWP for rent paid on behalf of temporary accommodation benefit claimants that is above the Local Housing Allowance level. Note - The actual Housing Benefits and Local Council Tax Support administration grant allocations from the DWP and the DCLG will be confirmed in due course.

6.13 **Cost Centre and Description** HOME: Home Energy Conservation

The service provides advice to households as to how to improve the energy efficiency of their home and reduce CO2 emissions as well as aiming to raise the profile of renewable energy sources and their benefits, particularly in new build developments.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	400		10					410
Support Services	12,770		0			540		13,310
Total Expenditure	13,170	0	10	0	0	540	0	13,720
Net Expenditure	13,170	0	10	0	0	540	0	13,720

6.14 **Cost Centre and Description** HOMES: Homelessness Strategy

This service includes:

- Homeless prevention work, which includes provision of the tenancy protection scheme, referrals to floating support and mediation.
- Development of the Homelessness Strategy, maintaining the Homeless Forum and achievements towards the homeless action plan.
- The housing needs service, which provides advice and assistance to households that are facing homelessness. It is often appropriate for home visits to be made to undertake the initial interview.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	210		0					210
Premises Related Expenditure	3,100		60					3,160
Transport Related Expenditure	100		0					100
Supplies & Services	3,270		70	110	34,370			37,820
Third Party Payments	0		0		7,700			7,700
Transfer Payments	10,460		210		-7,560			3,110
Support Services	68,580		0			-4,680		63,900
Total Expenditure	85,720	0	340	110	34,510	-4,680	0	116,000
Government Grants	0		0		-34,370			-34,370
Net Expenditure	85,720	0	340	110	140	-4,680	0	81,630
Associated Movement in Earmarked Reserves	-130		0		130			0
Net After Earmarked Reserves	85,590	0	340	110	270	-4,680	0	81,630

HOMES: Homelessness Strategy

Commentary on Substantial Budget Changes

Supplies & Services - unavoidable changes to service costs, +£34,370

Non-recurring budget set up for any additional costs to the Council to prevent and deal with homelessness and from implementation of the Homelessness Reduction Act, which comes into force on 1 April 2018. The budget is covered by Flexible Homelessness Support Grant and New Burdens funding received from the DCLG (see below).

Third Party Payments - unavoidable changes to service costs, +£7,700

This is the transfer of home improvement agency and housing mental health service costs from the transfer payments budget (see below) to this third party payments budget, because these services are provided under a service agreement rather than being grant funded.

Transfer Payments - unavoidable changes to service costs, -£7,560

This is the transfer of home improvement agency and housing mental health service costs from this transfer payments budget to the third party payments budget (see above), because these services are provided under a service agreement rather than being grant funded.

Support Services, -£4,680

A net decrease in expenditure following a re-assessment of costs to date and time allocations in support services areas, with the main decrease being in the Chief Executive's department.

Government Grants - unavoidable changes to service costs, -£34,370

This is mainly due to the receipt of £30,250 of Flexible Homelessness Support Grant and £4,120 of Homelessness Reduction Act New Burdens funding, to support any additional costs from preventing and dealing with homelessness and implementation of the Homelessness Reduction Act (see above).

6.15 **Cost Centre and Description** HSASS: Housing Associations

Enabling the delivery of affordable housing, working in partnership with Registered Housing Providers to identify potential sites and support bids to assist delivery. Work undertaken on behalf of Registered Housing Providers is also reflected here.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	510	-510	0					0
Support Services	6,160		0			170		6,330
Total Expenditure	6,670	-510	0	0	0	170	0	6,330
Net Expenditure	6,670	-510	0	0	0	170	0	6,330

6.16 **Cost Centre and Description** HSTRA: Housing Strategy

The Strategic Housing Service addresses the housing needs in the borough through partnership working with Registered Housing Providers, support providers and Community Groups. A housing forum is held twice a year to update stakeholders on housing strategy progress and key issues.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	1,920	-1,570	0					350
Third Party Payments	5,670		110					5,780
Support Services	44,290		0			-7,010		37,280
Total Expenditure	51,880	-1,570	110	0	0	-7,010	0	43,410
Net Expenditure	51,880	-1,570	110	0	0	-7,010	0	43,410

HSTRA: Housing Strategy

Commentary on Substantial Budget Changes

Supplies & Services - savings, -£1,570

Postage costs savings because housing needs postage surveys are no longer required.

Support Services -£7,010

A net decrease in expenditure following a re-assessment of costs to date and time allocations in support services areas, with the main decreases being in Financial Services and the Chief Executive's department.

6.17 **Cost Centre and Description** IMPGR: Improvement Grants

The service administers and oversees the delivery of the disabled facilities grants and landlord tenant grants. Disabled facilities grants enable homeowners and tenants to remain in their own home. Landlord tenant grants facilitate an increase in affordable housing units in the borough. Delivery of disabled facilities grants requires significant input from housing officers and the council's surveyors team.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Support Services	80,130		0			11,720		91,850
Total Expenditure	80,130	0	0	0	0	11,720	0	91,850
Customer & Client Receipts	-6,460		-130		-470			-7,060
Total Income	-6,460	0	-130	0	-470	0	0	-7,060
Net Expenditure	73,670	0	-130	0	-470	11,720	0	84,790

IMPGR: Improvement Grants

Commentary on Substantial Budget Changes

Support Services +£11,720

A net increase in expenditure following a re-assessment of costs to date and time allocations in support services areas, with the main increases being in the Chief Executive's department and Community Services.

6.18 **Cost Centre and Description** JARMS: Joiners Arms

The Joiners Arms unit provides seven units of temporary accommodation, five of which are family units, to help prevent and deal with homelessness. The housing service manages the units and provides ongoing engagement with the households in the unit to try and ensure they do not remain in temporary accommodation for longer than the target length of stay of 7 weeks.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	15,920	-5,470	210		470			11,130
Premises Related Expenditure	15,170	-690	290	340	2,710			17,820
Transport Related Expenditure	150	-150	0					0
Supplies & Services	2,190	-120	40		400			2,510
Support Services	4,350		0			10,460		14,810
Depreciation and Impairment	6,730						370	7,100
Total Expenditure	44,510	-6,430	540	340	3,580	10,460	370	53,370
Customer & Client Receipts	-17,100		-340	340	-13,930			-31,030
Miscellaneous Recharges	-11,700		-230	230	11,700			0
Total Income	-28,800	0	-570	570	-2,230	0	0	-31,030
Net Expenditure	15,710	-6,430	-30	910	1,350	10,460	370	22,340

JARMS: Joiners Arms

Commentary on Substantial Budget Changes

Employee Related Expenditure - savings, -£5,470

The Joiners Arms scheme warden post duties and scale point were finalised after the 2017/18 original estimate was set. The actual costs of the role are £5,470 less than the amount included in the 2017/18 original estimate.

Premises Related Expenditure - unavoidable changes to service costs, +£2,710

This is mainly due to an increase in the repairs budget of £1,960, based on the surveyors assessment of yearly costs after the first year of the Council taking back management of Joiners Arms. In addition, there is a £750 net increase as a result of minor changes on other premises related budgets.

Support Services, +£10,460

This is due to an increase in expenditure following a re-assessment of costs to date and time allocations in Financial Services and Community Services. It is mainly due to increased input on managing rental income, repairs and call outs, arising from the Council taking back management of Joiners Arms.

Customer & Client Receipts - unavoidable changes to service costs, -£13,930

There are two main reasons for this increase. Firstly, an increase in rent income of £1,440 is expected, when compared to the original estimate set for 2017/18, based on levels of rent income and occupancy at Joiners Arms in 2017/18 to date. Secondly, the service charges income budget of £11,700 has been transferred from the miscellaneous recharges budget (see below) to this customer & client receipts budget, because rent income and service charges are being accounted for together. In addition, there is expected income of £790 from electric cards that is now budgeted for.

Miscellaneous Recharges - unavoidable changes to service costs, +£11,700

The service charges income budget of £11,700 has been transferred from this miscellaneous recharges budget to the customer & client receipts budget (see above), because rent income and service charges are being accounted for together.

6.19 **Cost Centre and Description** SHARE: Shared Ownership Rents

This budget represents income received from shared ownership property rents at Riverside, Clitheroe, and any related costs.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Customer & Client Receipts	-1,230		-20					-1,250
Total Income	-1,230	0	-20	0	0	0	0	-1,250

6.20 **Cost Centre and Description** SUPPE: Supporting People

This service area covers additional support areas, such as liaison with supported housing scheme providers, domestic violence support and older people's support.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Supplies & Services	200		0					200
Third Party Payments	0		0		17,210			17,210
Transfer Payments	2,580		50					2,630
Support Services	9,100		0			260		9,360
Total Expenditure	11,880	0	50	0	17,210	260	0	29,400
Net Expenditure	11,880	0	50	0	17,210	260	0	29,400
Associated Movement in Earmarked Reserves	0		0		-17,210			-17,210
Net After Earmarked Reserves	11,880	0	50	0	0	260	0	12,190

SUPPE: Supporting People

Commentary on Substantial Budget Changes

Third Party Payments - unavoidable changes to service costs, +£17,210

Estimated payments of £17,210 to Hyndburn and Ribble Valley (HARV) Domestic Violence team for the provision of the Domestic Violence Support Worker and Support Resources scheme between April and September 2018 and the Sanctuary Security scheme between April and October 2018. These additional services have been funded by grant funding received from Lancashire County Council in 2017/18 and set aside in the Government Housing Grants reserve at 31 March 2018 (see below).

Associated Movement in Earmarked Reserves, -£17,210

Estimated transfer of £17,210 of Lancashire County Council funding from the Government Housing Grants reserve to fund the additional domestic abuse support services provided in 2018/19 (see above).

6.21 **Cost Centre and Description** UCRED: Universal Credit

The Council has been working on behalf of the DWP to provide support to Universal Credit claimants in the borough.

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Support Services	20,780		0			320		21,100
Total Expenditure	20,780	0	0	0	0	320	0	21,100
Government Grants	-11,380		-230		1,370			-10,240
Total Income	-11,380	0	-230	0	1,370	0	0	-10,240
Net Expenditure	9,400	0	-230	0	1,370	320	0	10,860

UCRED: Universal Credit

Commentary on Substantial Budget Changes

Government Grants - unavoidable changes to service costs, +£1,370

An estimated reduction of £1,370 in Universal Credit administration grant funding for 2018/19, based on the trend for funding reductions in recent years. Note - The actual allocation from the DWP will be confirmed in due course.

7 SUMMARIES

7.1 The draft budget is summarised in two ways. One over the cost of the service provided by the committee (objective). The other is over the type of expenditure and income (subjective)

a) Cost of Services Provided (Objective)

Cost Centre and Description	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
APLAC: Alma Place Unit	0		0		-550	700	530	680
AWARM: Affordable Warmth	0		0		750			750
CLAIR: Clean Air	2,520		30		290	70		2,910
CLAND: Contaminated Land	8,990		0			-530		8,460
CLCEM: Clitheroe Cemetery	59,950		460	-16,920	-4,340	-1,100		38,050
CLMKT: Clitheroe Market	-46,220		-1,830	790	-6,420	2,150	380	-51,150
CMGHH: Community Groups - Health & Housing	0		0			46,300		46,300
COMNL: Common Land	2,360		10		-10	60		2,420
CTBEN: Localised Council Tax Support Admin	108,970		-920		8,330	230		116,610
DOGWD: Dog Warden & Pest Control	98,840		360		2,040	-1,460		99,780
ENVHT: Environmental Health Services	293,490	-290	-330	-840	670	8,680		301,380

a) Cost of Services Provided (Objective)

Cost Centre and Description	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
HGBEN: Housing Benefits	128,770		-1,490	550	-11,640	2,900		119,090
HOMEE: Home Energy Conservation	13,170		10			540		13,720
HOMES: Homelessness Strategy	85,720		340	110	140	-4,680		81,630
HSASS: Housing Associations	6,670	-510	0			170		6,330
HSTRA: Housing Strategy	51,880	-1,570	110			-7,010		43,410
IMPGR: Improvement Grants	73,670		-130		-470	11,720		84,790
JARMS: Joiners Arms	15,710	-6,430	-30	910	1,350	10,460	370	22,340
SHARE: Shared Ownership Rents	-1,230		-20					-1,250
SUPPE: Supporting People	11,880		50		17,210	260		29,400
UCRED: Universal Credit	9,400		-230		1,370	320		10,860
Grand Total	924,540	-8,800	-3,610	-15,400	8,720	69,780	1,280	976,510
Associated Movement in Earmarked Reserves	-130		0		-17,830			-17,960
Net After Earmarked Reserves	924,410	-8,800	-3,610	-15,400	-9,110	69,780	1,280	958,550

b) Type of Expenditure/Income (Subjective)

	Original Estimate 2017/18	Savings	Inflation at 2%	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2018/19
Employee Related Expenditure	18,200	-5,470	260		910			13,900
Premises Related Expenditure	146,320	-690	2,910	1,190	-2,740			146,990
Transport Related Expenditure	4,970	-150	90		-10			4,900
Supplies & Services	73,760	-2,490	1,420	110	37,370			110,170
Third Party Payments	10,050		200		25,510			35,760
Transfer Payments	6,714,050		134,280	-133,330	-375,200			6,339,800
Support Services	1,070,230		10			69,780		1,140,020
Depreciation and Impairment	25,910		0				1,280	27,190
Total Expenditure	8,063,490	-8,800	139,170	-132,030	-314,160	69,780	1,280	7,818,730
Government Grants	-6,873,900		-137,500	133,880	331,400			-6,546,120
Other Grants and Contributions	-2,340		-50		110			-2,280
Customer & Client Receipts	-244,280		-4,860	-17,480	-20,360			-286,980
CEC Recharged to Other GF Serv	0		0					0
Miscellaneous Recharges	-18,430		-370	230	11,730			-6,840
Total Income	-7,138,950	0	-142,780	116,630	322,880	0	0	-6,842,220
Net Expenditure	924,540	-8,800	-3,610	-15,400	8,720	69,780	1,280	976,510
Associated Movement in Earmarked Reserves	-130		0		-17,830			-17,960
Net After Earmarked Reserves	924,410	-8,800	-3,610	-15,400	-9,110	69,780	1,280	958,550

8 EARMARKED RESERVES

- 8.1 In the Original Estimate for 2017/18 this committee planned to use £130 from earmarked reserves to support its net expenditure. Looking forward to 2018/19, the proposal included in the estimates is that this committee plans to use £17,960 from earmarked reserves to support its net expenditure.
- 8.2 The table below provides a summary of the DRAFT Original Estimate for 2018/19 together with the budgeted impact on the relevant earmarked reserves. Also detailed is a summary of the reasons for the movements on the earmarked reserves.

	DRAFT Original Estimate 2018/19	Reason for Movement on Earmarked Reserve
Committee Net Cost of Services	976,510	
HGBAL/H339: Government Housing Grants Reserve	-17,960	<p>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.</p> <p>In 2018/19, grant funding set aside from previous years will be released in-year to fund additional expenditure on specific services:</p> <p>-£750 for affordable warmth services such as home safety/energy efficiency checks, path clearance and fuel top up grants.</p> <p>-£14,290 for a domestic violence support worker and support resources.</p> <p>-£2,920 for domestic violence sanctuary security measures.</p>
Committee Net Cost of Services after Movements on Earmarked Reserves	958,550	

9 KEY VARIATIONS

9.1 The net expenditure for this committee has increased by £34,140 after allowing for associated movements on earmarked reserves. The main reasons for this net increase are summarised in the table below.

Description	Variance Original Estimate 2017/18 to DRAFT Original Estimate 2018/19 £
<p>CMGHH - Community Groups - Health & Housing A new budget for this committee in 2018/19, reflecting the cost of the time that partnership officers and regeneration staff spend working with community groups. The budget has been transferred from Planning, because this work on behalf of the community is better aligned with this Committee's supporting people agenda.</p>	46,300
<p>HGBEN - Housing Benefits and CTBEN - Localised Council Tax Support Admin Estimated reduction of £15,920 in Housing Benefits and Local Council Tax Support administration grant funding for 2018/19, based on the trend for funding reductions in recent years. Note - The actual allocations from the DWP and the DCLG will be confirmed in due course.</p>	15,920
<p>IMPGR - Improvement Grants Net increase in support services recharges from the Chief Executive's department and Community Services, mainly reflecting additional time spent on Disabled Facilities Grants by Housing officers and the Surveyors team.</p>	11,170
<p>JARMS - Joiners Arms Net increase in support services recharges from Financial Services and Community Services, mainly reflecting additional input on areas such as managing rental income, repairs and call outs, arising from the Council taking back management of Joiners Arms.</p>	10,460
<p>HGBEN - Housing Benefits Estimated receipt of Flexible Homelessness Support Grant, to help cover Rent Rebate subsidy not received from the DWP for rent paid on behalf of temporary accommodation benefit claimants that is above the Local Housing Allowance level.</p>	-9,750
<p>HGBEN - Housing Benefits Rent Allowance subsidy receiveable from the DWP is estimated to be £47,460 higher than Rent Allowance payments, after adjusting for recovery of housing benefits overpayments and non-cash transactions. This difference is £11,600 higher than budgeted for at original estimate stage in 2017/18.</p>	-11,600

Description	Variance Original Estimate 2017/18 to DRAFT Original Estimate 2018/19 £
<p>CLCEM - Clitheroe Cemetery Estimated increase in interments, exclusive burial rights and monuments fees income, based on the higher than inflation increases in 2018/19 fees approved by Health and Housing Committee in October 2017. The impact of the fees increase on the actual numbers of interments, exclusive burial rights and monuments rights granted may differ in practice to what is estimated here.</p>	-16,980

10 RISK ASSESSMENT

10.1 The approval of this report may have the following implications:

- Resources: Approval of the original budget for 2018/19 would see an increase in net expenditure of £51,970 compared with the original budget for 2017/18 or an increase in net expenditure of £34,140 after allowing for movements on earmarked reserves.
- Technical, Environmental and Legal: none identified.
- Political: none identified.
- Reputation: sound financial planning safeguards the reputation of the Council.
- Equality and Diversity – Equality and diversity issues are considered in the provision of all Council services.

11 RECOMMENDED THAT COMMITTEE

11.1 Approve the revenue original estimate for 2018/19 and submit this to the Special Policy and Finance Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH2-18/AC/AC
5 January 2018

For further background information please ask for Andrew Cook

BACKGROUND PAPERS - None