

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 7

meeting date: 15 MARCH 2018
 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 January 2018.

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 revised estimate budget for the period April 2017 to January 2018. You will see an overall underspend of £41,967 on the net cost of services, as at the end of January 2018, after allowing for transfers to and from earmarked reserves. 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 January 2018 £	Actual including Commitments to the end of January 2018 £	Variance £	
APLAC	Alma Place Unit	2,780	1,640	1,757	117	G
AWARM	Affordable Warmth	800	668	360	-308	G
CLAIR	Clean Air	2,860	476	715	239	G
CLAND	Contaminated Land	8,370	0	0	0	G
CLCEM	Clitheroe Cemetery	53,310	16,034	9,864	-6,170	R
CLMKT	Clitheroe Market	-50,590	-98,584	-101,096	-2,512	A
CMGHH	Community Groups - Health & Housing	39,570	0	0	0	G
COMNL	Common Land	2,410	552	56	-496	G
CTBEN	Localised Council Tax Support Admin	95,140	-36,399	-38,600	-2,201	A

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of January 2018 £	Actual including Commitments to the end of January 2018 £	Variance £	
DOGWD	Dog Warden & Pest Control	86,040	15,955	13,340	-2,615	A
ENVHT	Environmental Health Services	293,070	-16,635	-21,218	-4,583	A
HGBEN	Housing Benefits	92,670	80,664	71,170	-9,494	R
HOMEE	Home Energy Conservation	11,720	336	0	-336	G
HOMES	Homelessness Strategy	59,360	-4,196	-5,732	-1,536	G
HSASS	Housing Associations	6,360	-418	-241	177	G
HSTRA	Housing Strategy	42,230	5,964	5,688	-276	G
IMPGR	Improvement Grants	82,440	-8,980	-10,906	-1,926	G
JARMS	Joiners Arms	7,690	-16,412	-27,231	-10,819	R
SHARE	Shared Ownership Rents	-1,230	-1,230	-1,227	3	G
SUPPE	Supporting People	-5,040	-23,663	-23,942	-279	G
UCRED	Universal Credit	7,180	-11,380	-10,640	740	G
Total Health and Housing Committee		837,140	-95,608	-137,883	-42,275	
Transfers to/(from) Earmarked Reserves						
Government Housing Grants Reserve – DCLG Single Homelessness Initiative Support Grant		-1,450	-1,450	-1,450	0	
Government Housing Grants Reserve – LCC Affordable Warmth		-800	-668	-360	308	
Government Housing Grants Reserve – DCLG Prevention of Rough Sleeping		-200	0	0	0	
Government Housing Grants Reserve – LCC Domestic Violence Support Worker and Support Resources		14,290	14,290	14,290	0	
Government Housing Grants Reserve – LCC Domestic Violence Sanctuary Scheme		2,920	2,920	2,920	0	
Government Housing Grants Reserve – DCLG Flexible Homelessness Support Grant		6,430	6,430	6,430	0	
Government Housing Grants Reserve – DCLG Preventing Homelessness Grant		13,700	0	0	0	
Equipment Reserve - Local Council Tax Support s31 New Burdens Funding		-2,800	-2,800	-2,800	0	
Equipment Reserve - Dog Control Order Signs		-250	-250	-250	0	
Equipment Reserve - Joiners Arms Furniture Sinking Fund		12,600	12,600	12,600	0	
Capital Reserve – Home Improvement Loan repayment		4,020	4,020	4,020	0	
Total after transfers to/(from) Earmarked Reserves		885,600	-60,516	-102,483	-41,967	

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 £41,967 underspend to the end of January 2018, after transfers to and from earmarked reserves, are as follows:

- **Housing Benefits, Rent Allowance payments and grant income (-£8,428):** Rent Allowance payments to date are £112,400 lower than budgeted for, after adjusting for recovery of housing benefits overpayments to date. Set against this, Rent Allowance grant subsidy income is £103,972 lower than budgeted for.

In practice, any lower Rent Allowance payments made in year will be reflected in less Rent Allowance subsidy grant income being claimed from the DWP at year-end, as Rent Allowance payments are broadly funded by subsidy received, after adjusting for recovery of housing benefits overpayments and non-cash transactions. This means there is no significant Rent Allowance underspend in practice, at this stage.

- **Joiners Arms, Repairs and Maintenance – Buildings (-£3,600):** Less work than budgeted for the year to date. This underspend is likely to disappear by year-end as further work is expected on roof repairs and completion of extractor fan work. The roof work is likely to be very costly and unaffordable within the current revenue budget still available, so different options will need to be considered before confirming the budget funding and timing of the work.
- **Joiners Arms, Dwelling Rents (-£2,985):** Occupancy at Joiners Arms has been higher than budgeted for the year to date. There have been very few void periods as demand for temporary accommodation remains high.
- **Joiners Arms, other underspends (-£4,234):** Lower spend to date in areas such as warden vacancy cover, laundry costs and utilities costs. More payments are expected before year-end to reduce the laundry and utilities underspends.

- **Clitheroe Cemetery, various underspends and increased income (-£6,170):** Increased income from interment fees, exclusive burial rights and commemorative trees, plus lower spend to date in areas such as grounds maintenance charges, purchase of equipment and repairs. More payments are expected before year-end to reduce the equipment underspend.
- **Environmental Health, various underspends and increased income (-£4,583):** Increased income from street trading licences and litter fixed penalty notices, plus lower spend in areas such as subscriptions, nuisance/illegal tipping costs and printing. More payments are expected before year-end to reduce the subscriptions underspend.
- **Dog Warden and Pest Control, various underspends and increased income (-£2,615):** Increased income to date from commercial pest control, plus lower spend in areas such as repairs, baits & poisons and kennelling fees. More payments are expected before year-end to reduce the repairs underspend and no more commercial pest control income is expected in-year.
- **Clitheroe Market, various underspends and increased income (-£2,512):** Increased income from cabins to date, plus lower spend in areas such as utilities and publicity. More payments are expected before year-end to reduce the utilities underspend.

3 CONCLUSION

- 3.1 The comparison between actual expenditure and budget for this Committee at the end of January 2018 shows an underspend to date of £41,967, after allowing for transfers to and from earmarked reserves.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH4-18/AC/AC
2 March 2018

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 January 2018 £	Actual including Commitments to the end of January 2018 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/4652	Housing Benefits/Rent Allowance Payments	6,681,880	5,819,917	5,707,517	-112,400	R	Rent Allowance payments to date are 1.9% lower than budgeted for, after adjusting for recovery of housing benefits overpayments to date. This is because the revised estimate anticipated a slight increase in payments for the year as a whole, but November to January actual payments were lower than expected. This was partly due to rent free weeks in December and January.	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 after adjusting for recovery of housing benefits overpayments and non-cash transactions (see HGBEN/8002z below). This means there is no significant underspend in practice, at this stage.
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-6,732,580	-5,610,932	-5,506,960	103,972	R	Rent Allowance grant subsidy income to date is 1.9% lower than budgeted for. This is because actual income is in line with estimates prepared for 2017/18 DWP Mid-Year Estimate grant purposes, whereas the 2017/18 Revised Estimate budgeted for a higher level of subsidy income for the full-year than the Mid-Year Estimate, based on an anticipated higher level of rent allowance payments.	The level of subsidy received at year-end will broadly cover the Rent Allowance payments made in-year (see HGBEN/4652 above). This means there is no significant income reduction in practice, at this stage.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of January 2018 £	Actual including Commitments to the end of January 2018 £	Variance £		Reason for Variance
JARMS/2402	Joiners Arms/Repair & Maintenance - Buildings	27,350	24,288	20,688	-3,600	A	Less work than profiled for the year to date at revised estimate. This underspend is likely to disappear by year-end as further work is expected on roof repairs and completion of extractor fan work. The roof work is likely to be very costly and unaffordable within the current revenue budget still available, so different options will need to be considered before confirming the budget funding and timing of the work.
JARMS/8802u	Joiners Arms/Dwelling Rents	-31,350	-26,128	-29,113	-2,985	A	This is due to occupancy at Joiners Arms being higher than budgeted for the year to date. There have been very few void periods as demand for temporary accommodation remains high. <i>Note - income can fluctuate within Joiners Arms throughout the year, due to the demand-led and short-term nature of the tenancies.</i>
HGBEN/8007z	Housing Benefits/HRA Rent Rebate Grant	-21,110	-17,594	-13,930	3,664	A	Rent Rebate actual grant income to date is in line with estimates prepared for 2017/18 DWP Mid-Year Estimate grant purposes. However, since the Mid-Year estimate was submitted the classification of the non-self contained units at the Joiners Arms homelessness unit has been changed to "Hostel" status, which means the full rent rebate paid on behalf of claimants in those units can be claimed back in full from the DWP. This additional subsidy income was included in the Revised Estimate budget. Thus, actual income received to date is lower than the Revised Estimate budget to date. In practice, the additional income will be claimed back from DWP as part of the year-end subsidy claim, so there will be no significant income reduction at year-end.