

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

Agenda Item No 9

meeting date: 13 SEPTEMBER 2018  
 title: REVENUE MONITORING 2018/19  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: ANDREW COOK

### 1 PURPOSE

1.1 To provide this Committee with information relating to the progress of the 2018/19 revenue budget, as at the end of July 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 2018/19

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate budget for the period April 2018 to July 2018. You will see an overall underspend of £4,254 on the net cost of services, as at the end of July 2018. After allowing for transfers to and from earmarked reserves, the underspend is decreased to £198. 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 2018 £	Actual including Commitments to the end of July 2018 £	Variance £	
APLAC	Alma Place Unit	680	-170	-646	-476	G
AWARM	Affordable Warmth	750	252	0	-252	G
CLAIR	Clean Air	1,790	196	263	67	G
CLAND	Contaminated Land	8,460	0	0	0	G
CLCEM	Clitheroe Cemetery	38,320	-219	-3,051	-2,832	A
CLMKT	Clitheroe Market	-51,150	-100,488	-102,474	-1,986	G
CMGHH	Community Groups - Health & Housing	46,300	0	0	0	G
COMNL	Common Land	2,420	222	14	-208	G
CTBEN	Localised Council Tax Support Admin	116,610	-15,098	-17,721	-2,623	A

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of July 2018 £	Actual including Commitments to the end of July 2018 £	Variance £	
DOGWD	Dog Warden & Pest Control	99,780	4,272	3,163	-1,109	G
ENVHT	Environmental Health Services	302,230	-11,084	-13,806	-2,722	A
HGBEN	Housing Benefits	119,090	-122,646	-95,992	26,654	R
HOMEE	Home Energy Conservation	13,720	142	0	-142	G
HOMES	Homelessness Strategy	78,530	-20,564	-27,666	-7,102	R
HSASS	Housing Associations	6,330	0	0	0	G
HSTRA	Housing Strategy	43,410	68	170	102	G
IMPGR	Improvement Grants	84,790	-2,356	-17,381	-15,025	R
JARMS	Joiners Arms	25,440	8,612	11,918	3,306	A
PHACT	Public Health Act House Clearance	0	0	0	0	G
SHARE	Shared Ownership Rents	-1,250	-1,250	-1,252	-2	G
SUPPE	Supporting People	29,400	17,410	17,415	5	G
UCRED	Universal Credit	10,860	-1,496	-1,405	91	G
<b>Total Health and Housing Committee</b>		<b>976,510</b>	<b>-244,197</b>	<b>-248,451</b>	<b>-4,254</b>	
<b>Transfers to/(from) Earmarked Reserves</b>						
	Government Housing Grants Reserve - Affordable Warmth Grant	-750	-250	0	250	
	Government Housing Grants Reserve - Domestic Abuse Support Worker and Support Services	-14,290	-14,290	-14,290	0	
	Capital Reserve – Equity Release Grant repayment	0	0	3,806	3,806	
	Government Housing Grants Reserve - Domestic Violence Sanctuary Security Scheme	-2,920	-2,920	-2,920	0	
<b>Total after transfers to/(from) Earmarked Reserves</b>		<b>958,550</b>	<b>-261,657</b>	<b>-261,855</b>	<b>-198</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 Outlined below are the main variances to the end of July 2018 that are unlikely to be rectified by the end of the financial year:
- **Housing Benefits administration funding (-£14,913):** Additional funding received in-year from the DWP that was not anticipated at original estimate, the largest amounts being received for the Verify Earnings and Pensions Alerts (VEP) service, Discretionary Housing Payments administration and transitioning to Universal Credit housing payments in-year. This additional funding will be taken to General Fund balances at year-end, unless spent on relevant areas in-year.
  - **Disabled Facilities Grants administration fees income (-£12,095):** This is due to the increased numbers and value of Disabled Facilities Grants schemes completed to date and the increase from 5% to 10% for the administration fee charged by the Council on most categories of grants. Part of the additional income will be used to cover the increased costs from the additional 0.5FTE post approved to continue until June 2019 to provide capacity to administer the increase in grant applications.
  - **Clitheroe Cemetery grounds maintenance (-£3,859):** Less work by the Grounds Maintenance team at the Cemetery to date than anticipated at original estimate stage.
  - **Homelessness Strategy other contract payments (-£3,320):** The budgeted contribution to the Pennine Lancashire Mental Health and Housing project has not been required, because the service has been discontinued. In addition, the Council has received a contribution refund from the project administrators for underspends on the project budget to the date of closure.
  - **Joiners Arms repairs & maintenance – buildings (+£3,889):** Planned and priority repairs work has been undertaken at Joiners Arms early in the financial year, as part of managing the repairs budget across all the Council sites. This work is now completed, including roof repairs, work/re-decoration on Flat 8 following roof repairs, emergency lighting throughout, purchase and installation of new storage heaters, carpeting on stairs and carpet tiles at the main entrance and in the office. The budget is now overspent against the full year repairs budget. This overspend will be managed by managing the overall repairs budgets to balance across all the Council sites and only carrying out priority responsive repairs at Joiners Arms for the rest of 2018/19.

3 CONCLUSION

- 3.1 The comparison between actual expenditure and budget on the Health and Housing Committee shows an underspend of £4,254, as at the end of July 2018. After allowing for transfers to and from earmarked reserves, the underspend is decreased to £198.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH9-18/AC/AC  
31 August 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 July 2018 £	Actual including Commitments to the end of July 2018 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
IMPGR/ 8716m	Improvement Grants/Admin charge - Disabled Facilities Grant	-4,700	-1,568	-13,663	-12,095	R	This is due to the increased numbers and value of Disabled Facilities Grants schemes completed to date and the increase from 5% to 10% for the administration fee charged by the Council on most categories of grants. These issues were not factored into the original estimate budget set.	Part of the additional income will be used to cover the increased costs from the additional 0.5FTE post approved to continue until June 2019 to provide capacity to administer the increase in grant applications - the additional cost of this post will be recharged to the improvement grants cost centre at year-end.
HGBEN/ 8784z	Housing Benefits/DWP - VEP Alerts Service Funding	0	0	-6,000	-6,000	R	This is additional funding received in-year from the DWP to reflect the burden on the Council of administering the new Verify Earnings and Pensions Alerts (VEP) service in-year. This funding was not anticipated at original estimate budget stage.	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 2018 £	Actual including Commitments to the end of July 2018 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/4652	Housing Benefits/Rent Allowance Payments	6,254,240	2,018,868	2,034,748	15,880	R	Rent Allowance payments are slightly higher than budgeted for, after adjusting for recovery of benefits overpayments and non-cash transactions - actual was 0.8% higher than the £2.02m budgeted for to date. This is mainly due to changing levels of caseloads, which vary week to week. Any higher payments for the year as a whole would be reflected in more Rent Allowance subsidy grant income received at year-end (see Government Grants below), as expenditure for the year is broadly funded by subsidy grant received. As a result, there is unlikely to be a significant overspend at year-end.	The budget will be amended at Revised Estimate to reflect the latest full-year estimate for Rent Allowance payments.
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-6,301,700	-2,102,244	-2,077,300	24,944	R	Actual Rent Allowance subsidy grant income is slightly lower than budgeted for - actual was 1.2% less than the £2.1m budgeted for to date. The reduced income is in line with the estimate prepared for the 2018/19 DWP subsidy grant initial estimate claim, which was completed after the original estimate budget was set.	The budget will be amended at Revised Estimate to reflect the latest full-year estimate for Rent Allowance subsidy grant income, so there is unlikely to be a significant under-recovery of income at year-end.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of July 2018 £	Actual including Commitments to the end of July 2018 £	Variance £		Reason for Variance
HGBEN/8765Z	Housing Benefits/DWP - Discretionary Housing Payment Admn	0	0	-3,865	-3,865	A	This is additional funding received in-year from the DWP to reflect the burden on the Council of administering Discretionary Housing Payments in-year. This funding was not anticipated at original estimate budget stage. The budget will be updated at Revised Estimate stage to reflect this income.
CLCEM/5056	Clitheroe Cemetery/Grounds Maintenance	46,880	14,861	11,002	-3,859	A	Less work by the Grounds Maintenance team at the Cemetery to date than anticipated at original estimate stage.
IMPGR/8154z	Improvement Grants/Improvement Grants	0	0	-3,806	-3,806	A	Repayment of an equity release grant paid as part of the 2010/11 capital programme. Because the receipt is less than £10,000, it is initially accounted for within the improvement grants revenue budget and it will be set aside in capital reserves at year-end to support future capital expenditure. Thus, this is not a revenue underspend for use in 2018/19.
HOMES/3079	Homelessness Strategy/Other Contract Payments	2,160	2,160	-1,160	-3,320	A	The budgeted contribution to the Pennine Lancashire Mental Health and Housing project of £2,160 has not been required, because the service has been discontinued. In addition, the Council has received a contribution refund of £1,160 from the project administrators for underspends on the project budget to the date of closure.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of July 2018 £	Actual including Commitments to the end of July 2018 £	Variance £		Reason for Variance
HGBEN/8785z	Housing Benefits/DWP - New Burd Tran to UC Housing Paymnt	0	0	-2,921	-2,921	A	This is additional funding received in-year from the DWP to reflect the burden on the Council of transitioning to Universal Credit housing payments and removing temporary accommodation from Universal Credit in-year. This funding was not anticipated at original estimate budget stage. The budget will be updated at Revised Estimate stage to reflect this income.
HOMES/2809	Homelessness Strategy/Non Recurring Purchases of Equipment etc	31,270	10,428	8,000	-2,428	A	This budget is for specific spend on updating IT, systems and processes to help comply with the new Homelessness Reduction Act and any additional spending to prevent and deal with homelessness, as funded by the Flexible Homelessness Support Grant (FHSG). The spend to date is slightly below the budget profile because no additional spend has been required to date in 2018/19 to prevent and deal with homelessness.
ENVHT/8417u	Environmental Health Services/Private Water Samples	-9,180	-3,060	0	3,060	A	No private water supply risk assessments or monitoring sample visits have been carried out to the end of July 2018 due to a vacant post (EHO part time) resulting in re-delegation of workloads within the Environmental Health section. A new EHO has started in August 2018 and a student EHO is joining the team who has been allocated to private water supplies work for 2 days per week from September 2018, so risk assessments and sampling work have now commenced. The budget will be updated at Revised Estimate to reflect the updated work plan and estimated income for the year.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of July 2018 £	Actual including Commitments to the end of July 2018 £	Variance £		Reason for Variance
HGBEN/8060z	Housing Benefits/DWP - Discretionary Housing Payments Inc	-47,570	-15,856	-12,744	3,112	A	Actual Discretionary Housing Payments grant funding is lower 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 reduced income. In addition, less discretionary housing payments are likely to be made in-year, given the reduction in funding, which will cover the under-recovery of income.
JARMS/2402	Joiners Arms/Repair & Maintenance - Buildings	14,100	10,952	14,841	3,889	A	Planned and priority repairs work has been undertaken at Joiners Arms early in the financial year, as part of managing the repairs budget across all the Council sites. This work is now completed, including roof repairs, work/re-decoration on Flat 8 following roof repairs, emergency lighting throughout, purchase and installation of new storage heaters, carpeting on stairs and carpet tiles at the main entrance and in the office. The budget is now overspent against the full year repairs budget. This overspend will be managed by managing the overall repairs budgets to balance across all the Council sites and only carrying out priority responsive repairs at Joiners Arms for the rest of 2018/19.