

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 13

meeting date: 12 SEPTEMBER 2019
 title: REVENUE OUTTURN 2018/19
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 To report the revenue outturn 2018/19 for this Committee.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – none identified.
- Corporate Priorities – to continue to be 'a well-managed council providing efficient services based on identified customer need and meets the objective within this priority, of maintaining critical financial management controls, ensuring the authority provides council tax payers with value for money'.
- Other Considerations – none identified.

2 BACKGROUND

2.1 Our full Statement of Accounts was signed off for audit by the Director of Resources on 31 May 2019 and that audit has now been completed.

2.2 Under the Accounts and Audit Regulations 2015 we are required to have our audited Statement of Accounts approved by 31 July.

2.3 Our final audited Statement of Accounts were approved by the Accounts and Audit Committee at their meeting on 24 July 2019.

3 REVENUE OUTTURN 2018/19

3.1 Shown below, by cost centre, is a comparison of the 2018/19 actual outturn with the revised estimate budget for this Committee. You will see an overall underspend of £78,469 on the net cost of services. After transfers to and from earmarked reserves, the overall underspend is £71,016. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate 2018/19 £	Actual 2018/19 £	Variance £	Associated Earmarked Reserves Variance £	Net Variance £
APLAC	Alma Place Unit	1,440	793	-647	0	-647
AWARM	Affordable Warmth	750	60	-690	690	0
CLAIR	Clean Air	1,610	1,496	-114	0	-114
CLAND	Contaminated Land	9,240	9,196	-44	0	-44
CLCEM	Clitheroe Cemetery	44,210	35,652	-8,558	0	-8,558

Cost Centre	Cost Centre Name	Revised Estimate 2018/19 £	Actual 2018/19 £	Variance £	Associated Earmarked Reserves Variance £	Net Variance £
CLMKT	Clitheroe Market	-46,020	-48,900	-2,880	0	-2,880
CMGHH	Community Groups – Health & Housing	29,120	28,854	-266	0	-266
COMNL	Common Land	2,290	1,659	-631	0	-631
CTBEN	Localised Council Tax Support Admin	152,290	144,585	-7,705	0	-7,705
DOGWD	Dog Warden & Pest Control	108,150	102,197	-5,953	0	-5,953
ENVHT	Environmental Health Services	329,430	322,623	-6,807	0	-6,807
HGBEN	Housing Benefits	93,990	66,414	-27,576	0	-27,576
HOMEE	Home Energy Conservation	5,010	4,558	-452	0	-452
HOMES	Homelessness Strategy	55,490	42,469	-13,021	6,762	-6,259
HSASS	Housing Associations	6,460	6,401	-59	0	-59
HSTRA	Housing Strategy	21,410	20,380	-1,030	0	-1,030
IMPGR	Improvement Grants	71,500	67,640	-3,860	6	-3,854
JARMS	Joiners Arms	37,410	39,384	1,974	0	1,974
SHARE	Shared Ownership Rents	-1,250	-1,252	-2	0	-2
SUPPE	Supporting People	24,130	24,104	-26	-5	-31
UCRED	Universal Credit	10,920	10,798	-122	0	-122
NET COST OF SERVICES		957,580	879,111	-78,469	7,453	-71,016

4 EARMARKED RESERVES

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

4.2 Reserves can be held for three main purposes:

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

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

4.4 The table below provides a comparison of the 2018/19 actual movements in earmarked reserves with the movements in earmarked reserves that were planned at revised estimate stage. Full details are provided of the earmarked reserves that have been impacted and the reasons for the variations on the movements in earmarked reserves.

	Revised Estimate 2018/19 £	Actual 2018/19 £	Variance £	Reasons for variations on the Movements in Earmarked Reserves
Committee Net Cost of Services	957,580	879,111	-78,469	
HGBAL/H339 Housing Related Grants Reserve This is where housing related grants received but not spent at the end of each financial year are set aside to then be committed to grant related expenditure in future years.	-29,530	-28,852	678	The main reason is £690 less spend in-year than budgeted for at revised estimate stage on Affordable Warmth measures. This spend is funded by amounts previously set aside in the Housing Related Grants Reserve, so less needed transferring from the Reserve at year-end.
HGBAL/H373 Custom and Self Build Regulations Grant Reserve This is where funds provided by MHCLG are set aside to then fund future expenditure on administering Custom and Self Build Regulations.	28,750	28,750	0	
CPBAL/H330 Capital Reserve This is where funds are set aside to then fund future capital expenditure.	37,090	43,865	6,775	The main reason is that more Flexible Homelessness Support Grant was unspent at year-end than budgeted for, so an extra £6,769 was set aside in the Capital Reserve at year-end to help fund the 2023/24 roof renewal capital scheme at the Council's Homelessness Unit.
Committee Net Cost of Services After Movements on Earmarked Reserves	993,890	922,874	-71,016	

5 MAIN VARIATIONS 2018/19

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

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
HGBEN Housing Benefits	Rent Allowance payments were £67,768 lower than budgeted for (-1.1%), after adjusting for recovery of housing benefits overpayments and non-cash transactions. Set against this, Rent Allowance subsidy grant received was £48,024 less than budgeted for (-0.8%), as this grant income broadly reflects Rent Allowance payments in-year. The reduced payments and grant income reflects the reducing caseload as a result of migration from Housing Benefits to Universal Credit in Ribble Valley.	-19,744
CLCEM Clitheroe Cemetery	Interments, Exclusive Burial Rights and Commemorative Trees income was higher than budgeted for, due to greater activity than anticipated in this demand led service area in the last quarter of 2018/19.	-11,040
Various	Lower than budgeted support service recharges across most Health and Housing Committee cost centres due to reductions in net expenditure in several support service areas.	-8,538
HGBEN Housing Benefits	Additional unbudgeted non-recurring funding received from the DWP at year-end to reflect the burden on the Council of implementing new Mixed Age Couples, Pension Credit and Severe Disability Premium regulations in-year.	-4,342

6 CONCLUSION

6.1 There have been a number of variations in both income and expenditure between the 2018/19 revised estimate and 2018/19 actual outturn. This has given rise to an overall underspend for this Committee of £78,469 on the net cost of services. After allowing for transfers to and from earmarked reserves the overall underspend is £71,016.

SENIOR ACCOUNTANT
HH8-19/AC/AC
27 August 2019

DIRECTOR OF RESOURCES

BACKGROUND PAPERS – None.
For further information please ask for Andrew Cook.

**HEALTH AND HOUSING COMMITTEE
MAIN VARIANCES 2018/19**

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
CLCEM: Clitheroe Cemetery						
Grave Digging – Increased costs match higher interments income (see below), plus there have been some difficult digging conditions in the damper parts of Clitheroe Cemetery.	1,072			1,072		1,072
Purchase of Equipment and Materials – The actual costs of safety work on kerbing at Clitheroe Cemetery cost less than originally estimated.	-1,148			-1,148		-1,148
Grounds Maintenance - More input at Clitheroe Cemetery from the Grounds Maintenance team than budgeted for at revised estimate.	1,658			1,658		1,658
Interment Fees income - Higher income due to year-on-year variations in interments.		-1,028		-1,028		-1,028
Exclusive Burial Rights income - Higher income due to more plot reservations than expected and year-on-year variations in interments.		-8,628		-8,628		-8,628
Commemorative Trees income - Higher income due to greater demand in the second part of 2018/19 than anticipated.		-1,384		-1,384		-1,384
Total Clitheroe Cemetery	1,582	-11,040	0	-9,458	0	-9,458

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
CLMKT: Clitheroe Market						
Publicity – Less advertising and other promotional spend was required for the Christmas market and other speciality market events than anticipated.	-1,418			-1,418		-1,418
Other expenditure variances - Lower electricity costs than anticipated at revised estimate (-£538) and a reduced recharge for the refuse collection service in-year (-£752).	-1,290			-1,290		-1,290
Total Clitheroe Market	-2,708	0	0	-2,708	0	-2,708
CTBEN: Localised Council Tax Support Admin						
Supplies and Services expenditure - Underspend from control of spending across several budgets, with the biggest underspends being on scanning (-£414), postages (-£884) and software maintenance (-£733).	-2,541			-2,541		-2,541
Other expenditure variances - Lower support service recharge from Revenue Services (-£850) and lower training expenses (-£270).	-270		-850	-1,120		-1,120
Overpayments of Council Tax Benefits income - Following the introduction of Local Council Tax Support in 2013/14, the Council can retain any overpayments of the now abolished Council Tax Benefit that have been recovered in-year. Recovery of such overpayments in 2018/19 was higher than the budget set for this income.			-3,913	-3,913		-3,913
Total Localised Council Tax Support Admin	-2,811	-3,913	-850	-7,574	0	-7,574

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
DOGWD: Dog Warden & Pest Control						
Works Administration On-costs – Less need for dog bin repairs and replacement work and cover for dog bin emptying than anticipated.	-1,363			-1,363		-1,363
Purchase of Equipment and Materials – Dog bin lids ordered in 2018/19 were not delivered in-year by the supplier.	-1,114			-1,114		-1,114
Grounds Maintenance – Dog bin emptying costs recharged from the Grounds Maintenance team were lower than budgeted for.	-1,794			-1,794		-1,794
Other expenditure variances – Lower purchases of baits & poisons in-year (-£658) and lower kennelling fees than anticipated (-£800).	-1,458			-1,458		-1,458
Total Dog Warden & Pest Control	-5,729	0	0	-5,729	0	-5,729

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
ENVHT: Environmental Health Services						
Water Samples Costs – Increased lab test sampling costs as a result of increased parameter tests required under new Drinking Water Inspectorate regulations for private water sampling. These increased costs are passed on via the private water samples fees charged to those responsible for the private water supplies tested (see below)	7,510			7,510		7,510
Private Water Samples Income – Increased fees charged to those responsible for private water supplies tested under new Drinking Water Inspectorate regulations. The increased fees broadly covered the increased lab tests costs incurred by the Council in carrying out the tests (see above).		-7,326		-7,326		-7,326
Chief Executive service recharge – Lower support service recharge from the Chief Executive’s department mainly due to a reduction in net expenditure in that department.			-2,724	-2,724		-2,724
Street Trading Licence income - More Street Trading licences issued in-year than anticipated at revised estimate budget stage.		-1,801		-1,801		-1,801
Other income – More income from other licences, registration fees and fixed penalty notices than anticipated, the biggest increases being Environmental Protection Registration fees (-£266), Houses of Multiple Occupation licences (-£616) and Animal Home Boarding licences (-£255).		-1,541		-1,541		-1,541
Total Environmental Health Services	7,510	-10,668	-2,724	-5,882	0	-5,882

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
HGBEN: Housing Benefits						
Rent Allowance payments - Rent Allowance payments were lower than budgeted for, after adjusting for recovery of housing benefits overpayments and non-cash transactions in-year. The revised estimate anticipated a slight increase from the original estimate in payments for the year as a whole, but actual payments were lower than this, mainly as a result of migration of some new benefit claims to Universal Credit - actual expenditure was 1.1% less than the £6.32m budgeted for.	-67,768			-67,768		-67,768
Rent Allowance Grant income - Less Housing Benefits subsidy grant received than budgeted for, which broadly reflects less Rent Allowances paid out in-year (see above) – actual income was 0.8% less than the £6.36m budgeted for.		48,024		48,024		48,024
Rent Rebate payments – Less Rent Rebates paid out, mainly due to lower Rent Rebate related occupancy at the Council's homelessness unit than budgeted for.	-1,916			-1,916		-1,916
Rent Rebate Grant income - Less Housing Benefits subsidy grant received than budgeted for, which broadly reflects lower Rent Rebates paid out in relation to the Council's homelessness unit (see above).		2,324		2,324		2,324
Non-Recurring Purchases - An unbudgeted payment for revenue system updates to support local authority IT data sharing with the DWP. It was requested by and funded by the DWP in-year (see below).	9,574			9,574		9,574
DWP - LA Data Sharing IT income - Unbudgeted income received from the DWP to fund the payment for revenue system updates to support local authority IT data sharing with the DWP (see above).		-9,574		-9,574		-9,574

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Supplies and Services expenditure - Underspend from control of spending across several budgets, with the biggest underspends being on scanning (-£414) and postages (-£884).	-2,051			-2,051		-2,051
Resources - Revenue Services recharge - Lower support service recharge from Revenue Services mainly due to a reduction in net expenditure in that department.			-1,103	-1,103		-1,103
DWP Mixed Age Couples Sharing new burdens funding - Additional funding received from DWP at year-end to reflect the burden on the Council of implementing new Mixed Age Couples Sharing regulations in-year.		-2,116		-2,116		-2,116
DWP Pension Credit new burdens funding - Additional funding received from DWP at year-end to reflect the burden on the Council of implementing new Pension Credit regulations in-year.		-1,026		-1,026		-1,026
DWP Severe Disability Premium new burdens funding - Additional funding received from DWP at year-end to reflect the burden on the Council of implementing new Severe Disability Premium regulations in-year.		-1,200		-1,200		-1,200
Total Housing Benefits	-62,161	36,432	-1,103	-26,832	0	-26,832

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
HOMES: Homelessness Strategy						
Homelessness Temporary Accommodation – Less use of external temporary accommodation to support some homelessness cases, because of a lower number of homelessness cases and some less complex cases in 2018/19 than in 2017/18. Therefore, less funding for these costs was required from the Flexible Homelessness Support Grant income in-year, which meant that more of that Grant funding was set aside in the Housing Related Grants Reserve at year-end.	-4,080			-4,080	4,080	0
Grants to Individuals - Use of Tenancy Protection Fund, Homelessness Assistance and other payments to help people secure private sector tenancies was less than budgeted for. In addition, there have been a number of repayment invoices raised to recover some of the payments made and this has reduced net expenditure in-year.	-2,800			-2,800		-2,800
MHCLG Homelessness Prevention Grant income - Additional funding received from MHCLG at year-end to provide additional funding for homelessness work. This amount was unspent at year-end, so it was set aside in the Housing Related Grants Reserve at year-end.		-1,178		-1,178	1,178	0

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<p>MHCLG Flexible Homelessness Support Grant – -£1,000 of additional Flexible Homelessness Support Grant was received from MHCLG at year-end. This amount was unspent, so it was set aside in the Housing Related Grants Reserve at year-end. In addition, with regard to planned Flexible Homelessness Support Grant funding of in-year expenditure:</p> <ul style="list-style-type: none"> - £530 less than budgeted for was required to fund roof repairs at the Council's homelessness unit. - £22 more than budgeted for was required to cover the loss of DWP Rent Rebate subsidy in relation to Rent Rebates paid at the Council's homelessness unit. <p>The additional net amount of -£508 unspent grant was set aside in the Housing Related Grants Reserve at year-end.</p>		-1,508		-1,508	1,508	0
<p>MHCLG H-CLIC Reporting new burdens funding - Additional funding received from MHCLG at year-end to reflect the burden on the Council of implementing the new H-CLIC management information requirements specified by the Homelessness Reduction Act.</p>		-2,895		-2,895		-2,895
Total Homelessness Strategy	-6,880	-5,581	0	-12,461	6,766	-5,695

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
IMPGR: Improvement Grants						
Disabled Facilities Grants (DFGs) Administration Fees income - Due to higher numbers and value of grant schemes completed in-year than budgeted for at revised estimate.		-3,027		-3,027		-3,027
Total Improvement Grants	0	-3,027	0	-3,027	0	-3,027
JARMS: Joiners Arms						
Dwelling Rents income – Lower rent income because occupancy levels at the Council’s homelessness unit, Joiners Arms, have been lower than budgeted for and arrears have been higher than budgeted for.		2,108		2,108		2,108
Total Joiners Arms	0	2,108	0	2,108	0	2,108

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
SUPPE: Supporting People						
Other Contract Payments - There are two main reasons for this variance, which were not budgeted for: <ul style="list-style-type: none"> - The Council have entered into an agreement for Hyndburn and Ribble Valley Domestic Violence Team (HARV) to provide a Domestic Abuse Outreach Worker service in Ribble Valley between December 2018 and March 2020. The cost of the service provided up to 31 March 2019 was £10,469. The service is fully funded by Domestic Abuse Support Grant from Lancashire County Council (see below). - The Domestic Abuse Sanctuary Security scheme provided by HARV ended in Autumn 2018 and £2,629 of the funding provided to HARV was unspent at that date. The money was repaid to the Council by HARV. The scheme was grant funded by Lancashire County Council, so the money was repaid to them (see below). 	7,845			7,845		7,845
Domestic Abuse Agreement LCC Grant – Grant of £10,469 due from Lancashire County Council for the Domestic Abuse Outreach Worker service provided in Ribble Valley between December 2018 and March 2019 (see above).		-10,469		-10,469		-10,469
Sanctuary Domestic Violence Grant LCC – Repayment to Lancashire County Council of unspent Domestic Abuse Sanctuary Security scheme grant that was unspent when the scheme ended in Autumn 2018 (see above).		2,629		2,629		2,629
Total Supporting People	7,845	-7,840	0	5	0	5
Other variances	-4,692	1,642	-3,861	-6,911	687	-6,224
Total Variances for Health and Housing Committee	-68,044	-1,887	-8,538	-78,469	7,453	-71,016