

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 14

meeting date: 12 SEPTEMBER 2019
 title: REVENUE MONITORING 2019/20
 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 2019/20 revenue budget, as at the end of July 2019.

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 2019/20

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate budget for the period April 2019 to July 2019. You will see an overall underspend of £27,382 on the net cost of services, 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 July 2019 £	Actual including Commitments to the end of July 2019 £	Variance £	
APLAC	Alma Place Unit	1,820	-114	-1,361	-1,247	G
AWARM	Affordable Warmth	250	88	398	310	G
CLAIR	Clean Air	1,830	172	296	124	G
CLAND	Contaminated Land	10,060	0	0	0	G
CLCEM	Clitheroe Cemetery	32,970	-1,283	-3,048	-1,765	G
CLMKT	Clitheroe Market	-49,910	-103,484	-105,424	-1,940	G
CMGHH	Community Groups - Health & Housing	21,890	0	0	0	G
COMNL	Common Land	2,300	226	0	-226	G
CTBEN	Localised Council Tax Support Admin	162,470	15,958	14,265	-1,693	G
DOGWD	Dog Warden & Pest Control	117,350	5,393	6,567	1,174	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of July 2019 £	Actual including Commitments to the end of July 2019 £	Variance £	
ENVHT	Environmental Health Services	330,190	-1,685	534	2,219	A
HGBEN	Housing Benefits	129,460	-57,627	-5,359	52,268	R
HOMEE	Home Energy Conservation	4,720	-118	0	118	G
HOMES	Homelessness Strategy	55,480	14,742	9,599	-5,143	R
HSASS	Housing Associations	6,210	0	0	0	G
HSTRA	Housing Strategy	33,950	5,998	5,520	-478	G
IMPGR	Improvement Grants	87,570	-8,834	-10,866	-2,032	A
JARMS	Joiners Arms	35,920	1,626	2,022	396	G
SHARE	Shared Ownership Rents	-1,280	-1,280	-1,277	3	G
SUPPE	Supporting People	6,890	200	-68,960	-69,160	R
UCRED	Universal Credit	12,640	-11,190	-11,190	0	G
Total Health and Housing Committee		1,002,780	-141,212	-168,284	-27,072	
Transfers to/(from) Earmarked Reserves						
Housing Related Grants Reserve - Affordable Warmth Grant		-250	-88	-398	-310	
Housing Related Grants Reserve - Homelessness Reduction Act Funding		-1,000	-1,000	-1,000	0	
Housing Related Grants Reserve - Flexible Homelessness Support Grant		16,250	0	0	0	
Custom and Self Build Register Grant Reserve - Custom and Self Build Register Funding		15,000	0	0	0	
Capital Reserve – Flexible Homelessness Support Grant		10,610	0	0	0	
Total after transfers to/(from) Earmarked Reserves		1,043,390	-142,300	-169,682	-27,382	

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 2019 that are unlikely to be rectified by the end of the financial year:

- **Housing Benefits/DWP - VEP Alerts Service Funding (-£6,000):** Additional funding received in-year from the DWP to reflect the burden on the Council of taking part in the Verify Earnings and Pensions fraud initiative. The Council was not informed of this funding until after the original estimate budget was set.
- **Dog Warden & Pest Control/Domestic Rodent Pest Treatments Income (+£2,451):** Reduced income because no pest control treatment visits were undertaken between April and June 2019, due to long-term sickness absence. Pest control visits are now available to residents two days a week from July 2019 onwards, but it is unlikely that the full-year income budget will be achieved.

3 CONCLUSION

3.1 The comparison between actual expenditure and the original estimate budget for this Committee at the end of July 2019 shows an underspend of £27,382, after allowing for transfers to and from earmarked reserves.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH7-19/AC/AC
27 August 2019

BACKGROUND PAPERS: None
For further information please ask for Andrew Cook

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2019 £	Actual including Commitments to the end of July 2019 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
SUPPE/ 8365z	Supporting People/Domestic Abuse Agreement - LCC Grant	0	0	-58,491	-58,491	R	Additional grant funding from Lancashire County Council to support the Council's expenditure on the Domestic Abuse Outreach Support Service that will be provided by HARV Domestic Violence Team under a Service Level Agreement in 2019/20. This is in-line with the grant agreement and service details, covering October 2018 to at least March 2020, which were reported to this Committee on 6 June 2019. The grant agreement was not in place when the Original Estimate budget was set. Subsequent payments to HARV in-year will be covered by this grant income, so there will be no significant over-recovery of income by year-end.	The budget will be updated at Revised Estimate stage to reflect this additional income.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2019 £	Actual including Commitments to the end of July 2019 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/4652	Housing Benefits/Rent Allowance Payments	5,668,230	1,869,381	1,853,684	-15,697	R	Rent Allowance payments are slightly lower than budgeted for, after adjusting for recovery of benefits overpayments and non-cash transactions - actual was 0.8% lower than the £1.869m budgeted for the year to date. This is mainly due to changing caseload levels, which vary week to week. The overall caseload is reducing throughout the year as part of the migration from Housing Benefits to Universal Credit in Ribble Valley. Any lower payments for the year as a whole will be reflected in less Rent Allowance subsidy grant income received at year-end (see HGBEN/8002z below), as payments for the full year are broadly funded by subsidy grant received at year-end. As a result, there is unlikely to be a significant underspend at year-end.	The budget will be amended at Revised Estimate to reflect the latest full-year estimate for Rent Allowance payments.
SUPPE/3079	Supporting People/Other Contract Payments	0	0	-10,469	-10,469	R	This negative expenditure figure is a reversal of a year-end creditor amount owed by the Council to HARV Domestic Violence Team for the Domestic Abuse Outreach Support Service provided between December 2018 and March 2019. This creditor reversal amount will be cleared when the Council makes the actual payment to HARV in August 2019.	Creditor amount to be paid to HARV in August 2019.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2019 £	Actual including Commitments to the end of July 2019 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CLCEM/8441u	Clitheroe Cemetery/Interment Fees	-33,560	-11,192	-17,961	-6,769	R	Higher interments income due to both the normal year-on-year variations in the numbers of interments requested in this demand-led income area and a number of non-residents interments for the year to date (non-residents interment fees are double the fees charged to residents).	The budget will be updated at Revised Estimate stage to reflect the latest income levels and forecast for the full year.
HGBEN/8784z	Housing Benefits/DWP - VEP Alerts Service Funding	0	0	-6,000	-6,000	R	Additional funding received in-year from the DWP to reflect the burden on the Council of taking part in the Verify Earnings and Pensions fraud initiative. The Council was not informed of this funding until after the Original Estimate budget was set.	The budget will be updated at Revised Estimate stage to reflect this additional income.
ENVHT/8417u	Environmental Health Services/Private Water Samples	-26,320	-8,780	-1,921	6,859	R	Less work undertaken on private water samples and risk assessments for the year to date, due to deployment of Environmental Health staff on other high intensity work areas over the summer. This under-recovery of income is partly offset by reduced Water Samples costs incurred for the year to date (see ENVHT/3081 Amber variance). The net under-recovery of income to 31 July 2019 is £1,953.	The Head of Environmental Health intends to increase the level of input into private water samples and risk assessments from October 2019 onwards. The budget will be updated at Revised Estimate stage to reflect the latest income levels and forecast for the full year.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2019 £	Actual including Commitments to the end of July 2019 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-5,700,290	-1,901,616	-1,824,996	76,620	R	Actual Rent Allowance subsidy grant income was 4% lower than the £1.902m budgeted for the year to date. The reduced income is in line with the estimate prepared for the 2019/20 DWP subsidy grant initial estimate claim, which was completed after the Original Estimate budget was set. Rent Allowance subsidy grant received at year-end is updated to broadly reflect the actual Rent Allowance payments for the year as a whole (see HGBEN/4652 above). As a result, there is unlikely to be a significant under-recovery of income at year-end.	The budget will be amended at Revised Estimate to reflect the latest full-year estimate for Rent Allowance subsidy grant income.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2019 £	Actual including Commitments to the end of July 2019 £	Variance £		Reason for Variance
ENVHT/ 3081	Environmental Health Services/Water Samples	16,830	5,624	718	-4,906	A	Less water samples lab tests costs for the year to date because less private water samples and risk assessments work has been undertaken for the year to date. This underspend partly offsets the under-recovery of Private Water Samples income for the year to date (see ENVHT/8417u Red variance).
HOMES/ 2450	Homelessness Strategy/Homelessness Temporary Accommodation	10,420	3,476	50	-3,426	A	Less demand for and usage of short-term hotel and bed and breakfast temporary accommodation to help prevent homelessness, for the year to date.
IMPGR/ 8716m	Improvement Grants/Admin charge - Disabled Facilities Grant	-24,070	-8,030	-11,015	-2,985	A	More administration fees income from Disabled Facilities Grants for the year-to-date than initially planned for. In particular, three large scheme DFGs payments were made in June 2019.
CLMKT/ 2402	Clitheroe Market/Repair & Maintenance - Buildings	7,000	2,918	5,076	2,158	A	Increased repairs work in the early part of 2019/20, mainly due to door repairs, shutter repairs and tarmacing repairs of some previously flagged areas. Less work may be undertaken later in the year (urgent repairs permitting) as part of managing the Council's overall repairs budgets across all Council sites.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2019 £	Actual including Commitments to the end of July 2019 £	Variance £		Reason for Variance
DOGWD/ 8725n	Dog Warden & Pest Control/Domestic Rodent Pest Treatments	-7,810	-2,604	-153	2,451	A	<p>Less income because no pest control treatment visits were undertaken between April and June 2019, due to long-term sickness absence. Pest control visits are now undertaken two days a week from July onwards, as temporary pest control staff have been engaged by the Council.</p> <p>It is unlikely that the full-year Original Estimate income budget will be achieved because that budget is based on the service being provided by two part-time officers (1 FTE), but the current staff availability is two days per week (0.4 FTE).</p>
CLCEM/ 5056	Clitheroe Cemetery/Grounds Maintenance	52,670	17,568	21,198	3,630	A	<p>The main reason relates to £2,136 of maintenance work at closed churchyards now being charged to the Clitheroe Cemetery cost centre from May 2019 onwards - the time was previously charged to Ribble Valley Parks cost centre on Community Committee. The Original Estimate budget did not include a budget for closed churchyards work. A budget for closed churchyards work will be transferred from the Ribble Valley Parks cost centre to Clitheroe Cemetery cost centre at Revised Estimate stage.</p> <p>The other element of the variance is higher input from the grounds maintenance team at the Cemetery over the summer growing period to date than initially budgeted for.</p>