

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 8

meeting date: 7 NOVEMBER 2019
 title: REVENUE MONITORING 2019/20
 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 2019/20 revenue budget, as at the end of September 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 September 2019. You will see an overall underspend of £21,773 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 September 2019 £	Actual including commitments to the end of September 2019 £	Variance £	
APLAC	Alma Place Unit	1,820	-174	-1,193	-1,019	G
AWARM	Affordable Warmth	250	130	398	268	G
BURCR	Burials & Cremations	0	0	830	830	G
CLAIR	Clean Air	1,830	258	296	38	G
CLAND	Contaminated Land	10,060	0	0	0	G
CLCEM	Clitheroe Cemetery	37,380	-3,288	-2,739	549	G
CLMKT	Clitheroe Market	-49,910	-102,330	-104,637	-2,307	A
CMGHH	Community Groups - Health & Housing	21,890	0	0	0	G
COMNL	Common Land	2,300	338	482	144	G
CTBEN	Localised Council Tax Support Admin	162,470	17,322	14,900	-2,422	A

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of September 2019 £	Actual including commitments to the end of September 2019 £	Variance £	
DOGWD	Dog Warden & Pest Control	117,350	9,194	11,329	2,135	A
ENVHT	Environmental Health Services	330,190	-12,225	-10,584	1,641	G
HGBEN	Housing Benefits	129,460	368,483	409,299	40,816	R
HOMEE	Home Energy Conservation	4,720	-48	0	48	G
HOMES	Homelessness Strategy	55,480	22,708	15,866	-6,842	R
HSASS	Housing Associations	6,210	0	0	0	G
HSTRA	Housing Strategy	33,950	6,032	5,591	-441	G
IMPGR	Improvement Grants	87,570	-13,246	-16,046	-2,800	A
JARMS	Joiners Arms	34,920	1,034	7,579	6,545	R
SHARE	Shared Ownership Rents	-1,280	-1,280	-1,277	3	G
SUPPE	Supporting People	6,890	200	-58,491	-58,691	R
UCRED	Universal Credit	12,640	-11,190	-11,190	0	G
Total Health and Housing Committee		1,006,190	281,918	260,413	-21,505	
Transfers to/(from) Earmarked Reserves						
	Housing Related Grants Reserve - Affordable Warmth Grant	-250	-130	-398	-268	
	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 Funding Reserve	15,000	0	0	0	
	Capital Reserve	10,610	0	0	0	
	Equipment Reserve - Clitheroe Cemetery Foundation Beams	-4,410	0	0	0	
Total after transfers to/(from) Earmarked Reserves		1,042,390	280,788	259,015	-21,773	

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 September 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 was set.
 - **Environmental Health Services/Street Trading Licence Income (-£2,921):** There has been an increase in new Street Trading Licences issued in-year in this fluctuating income area, when compared to previous years.
 - **Joiners Arms/Dwelling Rents (+£3,105):** Lower rent income because occupancy levels at the Council's homelessness unit, Joiners Arms, have been lower than budgeted for - occupancy is dependent on the number and type of homelessness cases that the Council is presented with.
 - **Dog Warden & Pest Control/Domestic Rodent Pest Treatments Income (+£3,278):** 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, but there is not a large demand at present for rodent pest treatments.
- 2.5 In addition to the above, there has been significantly higher income than budgeted for to date for **Interments at Clitheroe Cemetery -£7,283** and **Disabled Facilities Grants administration fees -£4,155**. There has also been lower expenditure than budgeted for to date on **Homelessness Temporary Accommodation -£4,315**. However, income and expenditure is subject to fluctuation in-year in these demand-led budget areas.

3 CONCLUSION

- 3.1 The comparison between actual expenditure and the original estimate budget for this Committee at the end of September 2019 shows an underspend of £21,773, after allowing for transfers to and from earmarked reserves.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH13-19/AC/AC
25 October 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	Budget for the Full Year £	Budget to the end of September 2019 £	Actual including Commitments to the end of September 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	3,262,065	3,197,753	-64,312	R	Rent Allowance payments are 2% lower than the £3.262m budgeted for the year to date, after adjusting for recovery of benefits overpayments and non-cash transactions. 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.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of September 2019 £	Actual including Commitments to the end of September 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 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.
CLCEM/ 8441u	Clitheroe Cemetery/Interment Fees	-33,560	-16,784	-24,067	-7,283	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). It should also be noted that grave digging costs are £1,889 higher than budgeted for due to the increased interments, which partly offsets this over-recovery of income against budget.	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	Budget for the Full Year £	Budget to the end of September 2019 £	Actual including Commitments to the end of September 2019 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ENVHT/3081	Environmental Health Services/Water Samples	16,830	8,426	1,229	-7,197	R	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).	<p>The Head of Environmental Health intends to increase the level of input into private water samples and risk assessments from October 2019 onwards.</p> <p>The budget will be updated at Revised Estimate stage to reflect the latest lab tests costs levels and forecast for the full year.</p>
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.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of September 2019 £	Actual including Commitments to the end of September 2019 £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CLCEM/5056	Clitheroe Cemetery/Grounds Maintenance	52,670	26,344	33,436	7,092 R	<p>There are two main reasons:</p> <ul style="list-style-type: none"> - Grounds maintenance work at closed churchyards is now being charged to the Clitheroe Cemetery cost centre from May 2019 onwards. At the end of September 2019 £3,628 of closed churchyards work had been charged. The time was previously charged to the Ribble Valley Parks cost centre on Community Committee. The Original Estimate here did not include a budget for closed churchyards work. - Higher input from the grounds maintenance team at Clitheroe Cemetery over the summer growing period to date than initially budgeted for. Less work may be undertaken later in the year, when the growing period ends, as part of managing the Council's overall grounds maintenance budgets across all Council sites. 	The budget for closed churchyards work will be transferred from the Ribble Valley Parks cost centre to Clitheroe Cemetery cost centre at Revised Estimate stage.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of September 2019 £	Actual including Commitments to the end of September 2019 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ENVHT/8417u	Environmental Health Services/Private Water Samples	-26,320	-13,166	-2,259	10,907	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 variance). The net under-recovery of income to the end of September 2019 is £3,710.	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.
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-5,700,290	-2,851,286	-2,737,494	113,792	R	Actual Rent Allowance subsidy grant income was 4% lower than the £2.851m 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	Budget for the Full Year £	Budget to the end of September 2019 £	Actual including Commitments to the end of September 2019 £	Variance £		Reason for Variance
HOMES / 2450	Homelessness Strategy/Homelessness Temporary Accommodation	10,420	5,212	897	-4,315	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	-12,040	-16,195	-4,155	A	More administration fees income from Disabled Facilities Grants for the year-to-date than initially planned for. In particular, large scheme DFGs payments were made in June 2019 and September 2019.
CLCEM/ 8747u	Clitheroe Cemetery/Exclusive Woodland Burial Rights	-12,220	-6,108	-9,180	-3,072	A	Higher income due to both the normal year-on-year variations in the numbers of plot reservations in this demand-led income area (in some cases linked to the increased number of interments) and there have been a number of non-residents plot reservations for the year to date (non-residents exclusive burial rights fees are double the fees charged to residents).
ENVHT/ 8430u	Environmental Health Services/Street Trading Licence	-4,730	-4,257	-7,178	-2,921	A	There has been an increase in new Street Trading Licences issued in-year in this fluctuating income area, when compared to previous years.
CLCEM/ 8447u	Clitheroe Cemetery/Exclusive Burial Rights	-26,420	-13,214	-11,105	2,109	A	Lower income due to the normal year-on-year variations in the numbers of plot reservations in this demand-led income area, for the year to date.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of September 2019 £	Actual including Commitments to the end of September 2019 £	Variance £		Reason for Variance
JARMS/8802u	Joiners Arms/Dwelling Rents	-33,050	-16,532	-13,427	3,105	A	Lower rent income because occupancy levels at the Council’s homelessness unit, Joiners Arms, have been lower than budgeted for - occupancy is dependent on the number and type of homelessness cases that the Council is presented with. It is unlikely that the full year Original Estimate income budget will be achieved, due to this reduced occupancy.
DOGW D/8725n	Dog Warden & Pest Control/Domestic Rodent Pest Treatments	-7,810	-3,906	-628	3,278	A	Less income because no pest control treatment visits were undertaken between April and June 2019, due to long-term sickness absence. Pest control visits have been undertaken from July onwards, as temporary pest control staff have been engaged by the Council, but there is not a large demand at present for rodent pest treatments. 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 1 FTE officer, but the current temporary staff input is 0.1 FTE. A new Pest Control Officer is to be recruited.
JARMS/2402	Joiners Arms/Repair & Maintenance - Buildings	9,200	4,598	8,117	3,519	A	Increased repairs work between July and September 2019, mainly on ceiling repairs and replacement following a leak, fitting a new water heater, fire door work and window refurbishments. 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.