

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO HEALTH AND HOUSING COMMITTEE

DECISION

Agenda Item No

meeting date: 20 JANUARY 2011
title: REVISED REVENUE BUDGET 2010/11 AND ORIGINAL ESTIMATE 2011/12
submitted by: DIRECTOR OF RESOURCES
principal author: NEIL SANDIFORD

1 PURPOSE

- 1.1 To agree a revised revenue budget for 2010/11, together with a draft revenue budget for 2011/12, for submission to Policy and Finance Committee, subject to the consideration of savings for 2011/12 by Budget Working Group.

2 BACKGROUND

- 2.1 The much awaited grant settlement for the next financial year was published on the 13 December 2010. Overall, the total amount of funding for Local Government for 2011/12 will fall by 12.1%.
- 2.2 After allowing for adjustments to Formula Grant to allow for the transfer of concessionary travel responsibilities to Lancashire County Council, this council will receive a reduction in Formula Grant funding of 14.8%, or £558,000 for 2011/12 and £948,000 in 2012/13.
- 2.3 The settlement for this council was notably worse than had been anticipated and was particularly due to the introduction of a new transitional grant by the government to assist councils in the management of issues relating to the ending of the Working Neighbourhood Fund, which is funding that this council does not receive.
- 2.4 Inevitably this results in the need for the Council to identify substantial savings in our base budget. As members will be aware a management restructure of the council has been carried out and Heads of Service are currently reviewing their service areas with a view to reducing costs.
- 2.5 The management structure review has resulted in some large savings and we intend to identify further savings from the review of our services.
- 2.6 As a result of ongoing reviews, the proposed budget within this report for the next financial year 2011/12 represents the base budget for this committee and does not account for any service or structure changes that have been identified to date. All saving proposals will be put forward and considered by the Budget Working Group in order for the council to reach a sustainable and affordable budget over the longer term.
- 2.7 Therefore, this report seeks approval by committee of the revised budget for 2010/11 and of the draft base budget position for 2011/12, subject to the further review of all savings proposals by Budget Working Group.

3 REVIEW OF 2010/11 REVENUE BUDGET

3.1 When the budget was prepared for the current year provision was made for increases in prices of 1.5%. There was no pay award for the current financial year.

3.2 The revised budget is **£12,910** higher than the original estimate. A comparison between the original and revised budgets for each cost centre is shown below.

Cost Centre	Cost Centre Name	Original Estimate 2010/11 £	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Revised Estimate 2010/11 £
CTBEN	Council Tax Benefits Admin	43,040	152,600	-152,600	6,790	0	49,830
HGBEN	Housing Benefits Admin	82,830	727,860	-707,650	7,480	0	110,520
COMNL	Common Land	11,360	-1,240	0	-1,020	0	9,100
CLCEM	Clitheroe Cemetery	49,450	1,530	1,820	1,780	0	54,580
ENVGR	Grants & Subscriptions	2,060	-200	0	0	0	1,860
CLAIR	Clean Air	4,170	0	-4,500	30	0	-300
DOGWD	Dog Warden & Pest Control	113,270	-5,000	-8,890	1,730	0	101,110
ENVHT	Environmental Health	308,480	3,880	-3,770	-3,830	0	304,760
CLAND	Contaminated Land	4,750	0	800	20	0	5,570
HSASS	Housing Associations	13,260	0	0	3,100	0	16,360
HSADV	Housing Advances	520	50	0	70	0	640
SUPPE	Supporting People	5,530	-50	-2,200	150	0	3,430
CLMKT	Clitheroe Market	-12,000	-1,010	3,100	-4,910	0	-14,820
JARMS	Joiners Arms	10,790	4,650	-12,000	20	-1,100	2,360
HOMEG	Homelessness General	52,990	-450	0	-610	0	51,930
HOMES	Homelessness Strategy	-10,260	-4,000	-50	-110	0	-14,420
IMPGR	Improvement Grants	33,950	-3,060	0	-250	0	30,640
HOMEE	Home Energy Conservation	20,880	-1,240	0	8,580	0	28,220
GRAGE	Non-Dwelling Rents	-17,260	-500	2,500	-650	0	-15,910
HSTRA	Housing Strategy	53,280	17,360	-60	4,500	0	75,080
NET COST OF SERVICES		771,090	891,180	-883,500	22,870	-1,100	800,540

ITEMS ADDED TO/(TAKEN FROM) BALANCES AND RESERVES							
	Equal pay reserve		-18,040				-18,040
	DEFRA – clean air grant			4,500			4,500
	Homelessness unit adaptations		-3,000				-3,000
NET EXPENDITURE		771,090	870,140	-879,000	22,870	-1,100	784,000

3.2 The difference between the revised and original estimate is an estimated increase in costs of **£12,910**. This main reason for this is due to the factors identified below:

	£	£
MOVEMENT IN EXPENDITURE		
Increased Costs		
<i>Housing Benefits Administration</i> As a result of the economic downturn there has been an increase in the number of benefit claimants. Council tax and housing benefit payments have increased accordingly	881,000	
<i>Housing Strategy</i> A payment has been made to former housing staff under a claim for equal pay. This amounts to a one off payment this year and is funded from a reserve set aside in past years	18,040	
<i>Clitheroe Cemetery</i> The cemetery has until this year, been excluded from the schedule for business rates. A new charge has been made this year which will continue in future years.	2,200	
<i>Dog Warden and Pest Control</i> This Committee has been awarded grant under the Performance Reward Grant Scheme to upgrade the Dog Warden service. A proportion of the total grant of £13,370 is available this year, with the balance to be used next year.	9,370	
<i>Environmental Health</i> The Council has been awarded a grant from the Food Standards agency to undertake an exercise to assess the quality of food standards under the "Scores on the doors" scheme the direct costs of which amount to £6,610.	6,610	
		917,220
Reduced costs		
<i>Improvement Grants</i> The use of consultants for improvement grant work is now charged to capital and the revenue budget is no longer required.	-3,060	
<i>Dog Warden and Pest Control</i> Following a reassessment of the time charged by Grounds Maintenance for collecting dog waste, there has been a reduction in the allocation of costs to this service.	-15,680	
<i>Clitheroe Market</i> There has been a review of the cleaning duties at the market following the resignation of the cleaner, resulting in reduced costs.	-1,170	

	£	£
There has been a reduction in a number of small budgets that are contingency provisions or which have been under utilised for some time. Examples include training for Housing Benefits staff, conferences expenses in Housing and some equipment budgets for example Common Land and Home Energy. These have been reduced.	-5,280	
There has been a reduction in capital charges for the Joiners Arms as a result of the revaluation	-1,100	
Other small reductions	-850	
		-27,140
Net increase in costs		890,080
MOVEMENT IN INCOME		
Increased income		
<i>Housing Benefits</i> As a result of the increase in benefit payments, additional grant will be received to cover the costs incurred.	-860,250	
<i>Joiners Arms Homelessness Unit</i> Homelessness grant from Lancashire County Council was not included in the original budget as it was not expected to continue. However funding has now been received.	-12,000	
<i>Clean Air</i> A grant has been received from DEFRA in anticipation of a clean air survey which should take place next year. This income will be set aside in a reserve in case the survey is not required and the funding needs to be repaid.	-4,500	
<i>Supporting People</i> Accrued income in relation to supporting people will not be spent saving £2,200	-2,200	
<i>Dog Warden and Pest Control</i> Performance Reward Grant has been received to cover the costs shown above.	-9,370	
<i>Environmental Health</i> Grant income from the Food Standards Agency will cover the costs above plus a small amount of administrative costs.	-6,950	
		-895,270

	£	£
Reduced income		
<i>Clitheroe Cemetery</i> Income from exclusive burial rights at the cemetery has declined.	1,400	
<i>Non Dwelling Rents</i> As a consequence of the declining condition of garages, the Councils proportion of income from rents managed by Ribble Valley Homes is continuing to decline. The effect this year is expected to be a fall of £2,500.	2,500	
<i>Clitheroe Market</i> Cabin rents at the market have fallen this year as there have been an increased number of periods where cabins have been vacant.	3,000	
<i>Environmental Health</i> The programme of environmental courses has not proceeded as planned resulting in a fall in income. It is hoped to recommence this next year.	2,000	
<i>Contaminated Land</i> The contaminated land DEFRA grant has now been lost as a result of the Government's Spending Review	800	
Other income source, for example water sampling, vet inspection fees, street trading licences, environmental protection fees, have all suffered a small decline of income received.	1,950	
Other minor variations	120	
		11,770
Net increase in income		-883,500
 MOVEMENT IN SUPPORT SERVICES		
Overall there has been an increase in the cost of support services of £22,870 this year. The major changes are:		
Increased recharges		
<i>Financial services</i> Recharges made from financial services to Council Tax and Housing Benefits has increased by £10,480 as a result of the economic downturn and the increase in claimants.	10,480	
<i>Revenue Services</i> The recharge made from Revenue Services to Council Tax has increased by £2,210 as a result of the increase in claimants.	2,210	
<i>Strategic Housing</i> The recharges made by the strategic housing team have been reviewed resulting in increased charges to Housing Strategy of £9,250 and to Housing Associations of £2,650.	11,900	

	£	£
<i>Community Services</i> The contribution from Community Services to energy conservation work has resulted in an increased recharge of £6,280	6,280	
		30,870
Reduced recharges <i>Financial Services</i> The reallocation of time in Financial Services has resulted in a lesser recharge to the Market	-1,250	
<i>Strategic Housing</i> The reallocation of time in Strategic Housing has resulted in a lesser charge to Environmental Health.	-3,830	
<i>Development Services</i> There has been a reduction in the management charge to the Market.	-3,660	
Other adjustments amount to an increased charge of £740.	740	
		-8,000
Net increase in Support Service costs		22,870
Movement in reserves – net decrease in earmarked reserves		-16,540
OVERALL OVERSPENDING		12,910

4 2011/12 DRAFT REVENUE BUDGET

- 4.1 My five year forecast to Policy and Finance Committee in September highlighted the uncertainty at that time surrounding the level of formula grant that would be received by the council in coming years and most importantly what levels of savings would need to be identified going forward, as it was clear at that point that there would be a reduction.
- 4.2 This uncertainty continued until the announcement of the settlement for this council on 13 December 2010, with cuts to funding higher than had been anticipated. Compared to the adjusted Formula Grant for the current financial year, the reduction in funding in 2011/12 for this council is 14.8%, or £558,000 and 25%, £948,000 in 2012/13.
- 4.3 Following the grant settlement an updated budget forecast estimated the amount of savings needed as £660,000 for 2011/12 and £1,043,000 in 2012/13. These figures will be updated further as detailed estimates are agreed by Committees. It has therefore been paramount that the council prepare now for the future need to reduce budgets, and as such the second phase of the council's structure review is underway following the identification of savings from the review of the council's management structure.
- 4.5 In addition, as always, there are a number of potential problems that will have a significant impact on the budget for 2011/12 and beyond. The immediate ones are:
- ❖ The effect of the economic downturn on service income levels
 - ❖ The level of investment income received
 - ❖ Future public sector funding
 - ❖ Pension fund contributions
- 4.6 As far as your budget is concerned, the estimates have been prepared on the current levels of service and include provision for price increases of 3% and pay increases in line with government pay policy for public sector workers. Where possible budgets have been cash limited. Any pay award for local government will be determined solely by the Local Government Employers Association and is still being negotiated.
- 4.7 In view of the amount of savings needed, the budget requiring approval for 2011/12 represents the draft base budget for this committee and does not account for any service or structure changes that have been identified to date. All savings will be put forward and considered by the Budget Working Group in order for the council to reach an affordable and achievable budget for 2011/12.
- 4.8 Members are also asked in the approval of this base budget to consider any potentials areas for savings which they may be able to identify and to put these forward for consideration by the Budget Working Group, be they for the 2011/12 budget or as proposals for any future years.

5 COMMITTEE SERVICE ESTIMATES

The following section summarises the budget impact of changes on each of this Committees cost centres at the foot of which is a resume of the cause of change.

5.1 COUNCIL TAX BENEFITS ADMINISTRATION							
Service Description							CTBEN
<i>District councils have a statutory duty to administer claims for Council Tax benefit. This involves producing forms for the public to complete and then processing them on a bespoke computer system once evidence of all income and savings have been verified. We are also required to investigate suspected fraudulent claims.</i>							
Link to Ambitions							
To be a well managed council providing efficient services based on identified customer needs							
Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Transfer Payments	2,100,000	0	63,000	42,000	56,000	0	2,261,000
Support Services	132,750	0	0	0	0	2,860	135,610
TOTAL EXPENDITURE	2,232,750	0	63,000	42,000	56,000	2,860	2,396,610
Government Grants	-2,189,710	0	-63,000	-42,000	-56,000	110	-2,350,600
TOTAL INCOME	-2,189,710	0	-63,000	-42,000	-56,000	110	-2,350,600
NET	43,040	0	0	0	0	2,970	46,010
Comments							
Because of the economic downturn there has been an increase in the number of claimants. These additional costs will be recovered through subsidy. There has been a small increase in support service costs reflecting the increased activity in this area of work.							

5.2 HOUSING BENEFITS ADMINISTRATION

Service Description

HGBEN

District councils have a statutory duty to administer claims for Housing benefit. This involves producing forms for the public to complete and then processing them on a bespoke computer system once evidence of all rental income and savings have been verified. We are also required to investigate suspected fraudulent claims.

Link to Ambitions

To be a **well managed** council providing **efficient services** based on **identified customer needs**

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Employee Costs	3,050	0	0	0	0	0	3,050
Supplies and Services	37,760	0	710	510	500	290	39,770
Transfer Payments	5,616,600	0	168,000	16,800	596,400	0	6,397,800
Support Services	231,120	0	0	0	0	4,150	235,270
TOTAL EXPENDITURE	5,888,530	0	168,710	17,310	596,900	4,440	6,675,890
Government Grants	-5,805,700	0	-168,000	-16,800	-566,400	-380	-6,557,280
TOTAL INCOME	-5,805,700	0	-168,000	-16,800	-566,400	-380	-6,557,280
NET	82,830	0	710	510	30,500	4,060	118,610

Comments

Caseloads have increased significantly as a consequence of the economic downturn. Also there has been an increase in the number of cases managed by charitable homes provision for disabled clients, which does not attract full grant reimbursement. As a consequence the Council faces an increase in costs this year. Support service costs have also increased reflecting the additional demand as a result of the extra volume of work.

5.3 COMMON LAND

Service Description **COMNL**

The Council has a responsibility for the management of the common land at Salesbury and Copster Green, and an overseeing role regarding common land in general.

Link to Ambitions

To **protect and enhance** the existing **environmental quality** of our area

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Premises	1,200	0	0	0	0	0	1,200
Supplies and Services	540	0	0	0	0	0	540
Support Services	9,620	0	0	0	0	-1,070	8,550
TOTAL EXPENDITURE	11,360	0	0	0	0	-1,070	10,290
NET	11,360	0	0	0	0	-1,070	10,290

Comments

This service is expected to continue at a similar level to the previous year with slightly lower support service costs.

5.4 CLITHEROE CEMETERY

Service Description

CLCEM

The Council provides a high quality municipal cemetery service at Clitheroe cemetery, primarily for the residents of Ribble Valley. This includes traditional lawn burials and interment of ashes, woodland burial and also a remembrance arboretum.

The Council is also responsible for several closed churchyards that have been entrusted to the Council within 12 months of their closure. These are St Bartholomew's at Chipping, St Mary Magdalene's and St James' at Clitheroe and a portion of St Mary's in Gisburn. This includes the grounds maintenance, upkeep of walls, fences, paths and the safety of headstones.

Link to Ambitions

To **protect and enhance** the existing **environmental quality** of our area

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Premises Costs	54,300	0	40	0	2,070	0	56,410
Supplies and Services	5,730	0	0	0	0	0	5,730
Transfer Payments	0	0	0	0	0	0	0
Support Services	31,100	0	0	0	0	-5,140	25,960
Depreciation & Impairment	2,920	0	0	0	0	0	2,920
TOTAL EXPENDITURE	94,050	0	40	0	2,070	-5,140	91,020
Customer & Client Receipts	-44,600	0	-1,110	0	960	0	-44,750
TOTAL INCOME	-44,600	0	-1,110	0	960	0	-44,750
NET	49,450	0	-1,070	0	3,030	-5,140	46,270

Comments

The restructuring of senior management has resulted in a reduced recharge to this service. The additional premises cost is as a result of the inclusion of the Cemetery on the schedule of business rates from 2010/11 onwards. Income remains static mainly as a result of a decline in income from the sale of commemorative trees.

5.5 GRANTS AND SUBSCRIPTIONS

Service Description							ENVGR
<i>The Council pays several subscriptions to maintain membership of a number of organisations, such as ROSPA and UK Council's Against Fluoridation</i>							
Link to Ambitions							
To help make people's lives safer & healthier							
Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Transfer Payments	800	0	0	0	0	0	800
Support Services	1,260	0	0	0	0	0	1,260
TOTAL EXPENDITURE	2,060	0	0	0	0	0	2,060
NET	2,060	0	0	0	0	0	2,060
Comments							
This service is expected to continue at a similar level to the previous year.							

5.6 CLEAN AIR

Service Description							CLAIR
<i>The Council is required to undertake periodic screening and assessment of local air quality. To meet the requirements, the Council undertakes local air quality monitoring. The last assessment identified the need to undertake further localised monitoring of NOx on Whalley Road, Clitheroe associated with traffic congestion.</i>							
Link to Ambitions							
To help make people's lives safer & healthier							
Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Supplies and Services	1,500	0	50	0	4,500	0	6,050
Support Services	2,670	0	0	0	0	-2,670	0
TOTAL EXPENDITURE	4,170	0	50	0	4,500	-2,670	6,050
NET	4,170	0	50	0	4,500	-2,670	6,050
Comments							
In 2010/11 the Council received a grant from DEFRA of £4,500 for a clean air exercise. This has been brought back into the accounts in anticipation of the work being carried out. This work will be funded from a reserve set aside in the current financial year. The restructuring exercise has resulted in a reduced recharge to this service from the former Development Services Department.							

5.7 DOG WARDEN AND PEST CONTROL

Service Description

DOGWD

A dedicated pest control and dog warden service is provided in the Borough. The pest control service deals with the control and eradication of a range of public health pests in private residential and commercial premises and also the control and eradication of rodents within the public sewer system. The dog warden service deals with dog-related complaints, including stray dogs, dog fouling and noise arising from barking dogs. .

Link to Ambitions

To help make people's lives **safer & healthier**

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Premises Costs	35,770	0	0	0	-11,530	840	25,080
Transport Costs	3,720	0	70	0	0	0	3,790
Supplies and Services	3,850	0	0	0	60	0	3,910
Third Party Payments	5,200	0	0	0	0	0	5,200
Support Services	71,120	0	0	0	0	-1,660	69,460
Depreciation & Impairment	3,830	0	0	0	0	0	3,830
TOTAL EXPENDITURE	123,490	0	70	0	-11,470	-820	111,270
Customer & Client Receipts	-10,220	0	-210	0	0	0	-10,430
Other grants	0	0	0	0	-4,000	0	-4,000
TOTAL INCOME	-10,220	0	-210	0	-4,000	0	-14,430
NET	113,270	0	-140	0	-15,470	-820	96,840

Comments

A review of the time allocated to this service for the collection of dog waste has resulted in a reduced recharge to this service. The additional income is associated with the second and final year of the Performance Reward Grant scheme which will temporarily support the increased intensity of collection from the 20 additional bins placed throughout the Borough.

5.8 ENVIRONMENTAL HEALTH

Service Description ENVHT

These functions are principally regulatory and consist mainly of staff time spent on food control, health and safety work, nuisance complaint investigation, private water supply regulation, infectious diseases, Local Authority Pollution Prevention Control, air quality pollution problems and licensing enforcement and associated registration of premises.

Link to Ambitions

To help make people's lives **safer & healthier**

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Supplies and Services	9,660	0	150	80	0	0	9,890
Support Services	316,870	0	0	0	0	-11,120	305,750
TOTAL EXPENDITURE	326,530	0	150	80	0	-11,120	315,640
Customer & Client Receipts	-18,050	0	-380	0	0	0	-18,430
TOTAL INCOME	-18,050	0	-380	0	0	0	-18,430
NET	308,480	0	-230	80	0	-11,120	297,210

Comments

The restructuring exercise has resulted in a net reduced recharge to this service from the former Development Services Department. Costs are now recharged from the Chief Executives Department.

5.9 CONTAMINATED LAND

Service Description

CLAND

The authority has a statutory duty under Part IIA of the Environmental Protection Act 1990 to produce a contaminated land strategy, setting out how it intends to identify and subsequently see remedied any land in its area that is considered to be contaminated.

Link to Ambitions

To help make people's lives **safer & healthier**

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Support Services	5,600	0	0	0	0	20	5,620
TOTAL EXPENDITURE	5,600	0	0	0	0	20	5,620
Customer & Client Receipts	-50	0	0	0	0	0	-50
Grant income	-800	0	0	0	800	0	0
TOTAL INCOME	-850	0	0	0	800	0	
NET	4,750	0	0	0	800	20	5,570

Comments

The DEFRA specific grant of £800 has now been lost as a result of the Government's Spending Review

5.10 HOUSING ASSOCIATIONS

Service Description

HSASS

Enabling the delivery of affordable housing, working in partnership with Housing Associations to identify potential sites and support bids to assist delivery. Maintaining up to date housing needs surveys to ensure the correct tenure and type of housing is developed to meet housing need with appropriate Section 106 agreements to ensure they remain affordable.

Link to Ambitions

To **match the supply of homes** in our area with the **identified housing needs**.

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Support Services	13,260	0	0	0	0	370	13,630
TOTAL EXPENDITURE	13,260	0	0	0	0	370	13,630
NET	13,260	0	0	0	0	370	13,630

Comments

This service is expected to operate at a similar level to previous years.

5.11 HOUSING ADVANCES

Service Description HSADV

The council maintains a relatively small mortgage portfolio and this number is decreasing as mortgages are redeemed. Here are shown the software maintenance costs and support service costs associated with the administration of the Housing Advances.

Link to Ambitions

To match the **supply of homes** in our area with the **identified housing needs**

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Supplies and Services	150	0	0	0	50	0	200
Support Services	1,460	0	0	0	0	50	1,510
TOTAL EXPENDITURE	1,610	0	0	0	50	50	1,710
Interest	-1,090	0	0	0	0	0	-1,090
TOTAL INCOME	-1,090	0	0	0	0	0	-1,090
NET	520	0	0	0	50	50	620

Comments

This service is expected to operate at a similar level to previous years.

5.12 SUPPORTING PEOPLE

Service Description SUPPE

Supporting People is the funding stream which funds the support element of any supporting housing scheme. The service looks to ensure existing schemes continue to receive appropriate financial support and seeks to identify new areas of need and submit appropriate bids for new allocations.

Link to Ambitions

To match the **supply of homes** in our area with the **identified housing needs**.

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Employee Costs	100	0	0	0	0	0	100
Third party payments	28,300	0	0	0	0	0	28,300
Support Services	5,430	0	0	0	0	-1,070	4,360
TOTAL EXPENDITURE	33,830	0	0	0	0	-1,070	32,760
Grant income	-28,300	0	0	0	0	0	-28,300
TOTAL INCOME	-28,300	0	0	0	0	0	-28,300
NET	5,530	0	0	0	0	-1,070	4,460

Comments

The restructuring exercise has resulted in a net reduced recharge to this service as a result of the transfer of strategic housing to the Chief Executives Department.

5.13 CLITHEROE MARKET

Service Description

CLMKT

The market site was redeveloped in 1995 to provide a modern facility with adjacent car parking. The market redevelopment reflected the Council's ongoing commitment to the importance of the market and recognising its supporting role in the continuing attraction of Clitheroe as a shopping centre. General retail markets are held on three days per week (Tuesday, Thursday and Saturday) with a collectors market held on Friday. Cabins, stalls and pitches are rented to market traders under contract arrangements.

Link to Ambitions

To protect and enhance the existing environmental quality of our area

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Employee Costs	6,500	0	90	0	0	0	6,590
Premises Costs	40,370	0	790	0	120	140	41,420
Supplies and Services	4,060	0	0	0	0	0	4,060
Support Services	56,930	0	0	0	0	-8,630	48,300
Depreciation & Impairment	5,780	0	0	0	0	410	6,190
TOTAL EXPENDITURE	113,640	0	880	0	120	-8,080	106,560
Customer & Client Receipts	-118,670	0	-3,510	0	0	0	-122,180
Miscellaneous Recharges	-6,970	0	0	0	60	0	-6,910
TOTAL INCOME	-125,640	0	-3,510	0	60	0	-129,090
NET	-12,000	0	-2,630	0	180	-8,080	-22,530

Comments

The restructuring exercise has resulted in a net reduced recharge to this service as the costs of the former Development Department have transferred to the Chief Executive's Department. The additional premises costs are associated with an increased budget requirement for NNDR.

5.14 JOINERS ARMS HOMELESSNESS UNIT

Service Description

JARMS

The Joiners Arms provides seven units of temporary accommodation; five of which are family units. The service, as with Bleasdale Court, oversees the allocation of the units and the ongoing engagement to ensure households do not remain in temporary accommodation for longer than the target length of stay of 7 weeks.

Link to Ambitions

To match the supply of homes in our area with the identified housing needs.

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Premises Costs	1,900	0	0	0	250	0	2,150
Supplies and services	0	0	0	0	280	0	280
Transfer payments	8,120	0	0	0	120	0	8,240
Support services	10	0	0	0	0	20	30
Capital charges	6,100	0	0	0	0	-1,100	5,000
TOTAL EXPENDITURE	16,130	0	0	0	650	-1,080	15,700
Miscellaneous Recharges	-5,340	0	0	0	0	0	-5,340
TOTAL INCOME	-5,340	0	0	0	0	0	-5,340
NET	10,790	0	0	0	650	-1,080	10,360

Comments

A revaluation of the Joiners Arms has resulted in a reduced capital charge to this service. The additional premises costs are for the additional costs of water and sewerage charges.

5.15 HOMELESSNESS GENERAL

Service Description HOMEG

The Housing Needs Service provides advice and assistance to households that are facing homelessness. The advice is offered on an appointment basis available 9 until 5 Monday to Friday. It is often appropriate for home visits to be made to undertake the initial interview.

Link to Ambitions

To match the **supply of homes** in our area with the **identified housing needs**.

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Supplies and Services	900	0	0	0	0	0	900
Support Services	52,090	0	0	0	0	-5,890	46,200
TOTAL EXPENDITURE	52,990	0	0	0	0	-5,890	47,100
NET	52,990	0	0	0	0	-5,890	47,100

Comments

The restructuring exercise has resulted in a net reduced recharge to this service as the costs of Strategic Housing have transferred to the Chief Executive's Department.

5.16 HOMELESSNESS STRATEGY

Service Description HOMES

The service provides the homeless prevention work, which includes provision of the tenancy protection scheme, referrals to floating support and mediation. Also included is the strategic work of the section in the development of the Homelessness Strategy, maintaining Homeless Forum and achievements towards the action plan.

Link to Ambitions

To match the **supply of homes** in our area with the **identified housing needs**.

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Supplies and Services	19,300	0	0	0	0	0	19,300
Support Services	1,440	0	0	0	0	12,170	13,610
TOTAL EXPENDITURE	20,740	0	0	0	0	12,170	32,910
Other Grants and Reimbursements	-31,000	0	0	0	-50	0	-31,050
TOTAL INCOME	-31,000	0	0	0	-50	0	-31,050
NET	-10,260	0	0	0	-50	12,170	1,860

Comments

The restructuring exercise has resulted in a new charge to this service from the Chief Executives Department following a reallocation of time and is a reflection of the reductions in allocations elsewhere.

5.17 IMPROVEMENT GRANTS

Service Description							IMPGR
<p>The service administrates and oversees the delivery of the disabled facilities grant, landlord tenant grant, warm front top up grant and equity release loan. All of these products enable homeowners and tenants to live in homes that meet the Decent Homes Standard and allow them to remain in their own home despite a decrease in mobility. Delivery of disabled facilities grants and equity release loans require the greatest input from the service.</p>							
Link to Ambitions							
<p>To match the supply of homes in our area with the identified housing needs.</p>							
Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Supplies and Services	3,060	0	0	0	0	0	3,060
Support Services	40,890	0	0	0	0	-2,240	38,650
TOTAL EXPENDITURE	43,950	0	0	0	0	-2,240	41,710
Customer & Client Receipts	-10,000	0	0	0	0	0	-10,000
TOTAL INCOME	-10,000	0	0	0	0	0	-10,000
NET	33,950	0	0	0	0	-2,240	31,710
Comments							
<p>The restructuring exercise has resulted in a new charge to this service from the Chief Executives Department following a reallocation of time and is a reflection of the reductions in allocations elsewhere.</p>							

5.18 HOME ENERGY CONSERVATION

Service Description		HOME E					
<p><i>The service provides energy efficiency advice to households as to how to improve the energy efficiency of their home and reduce CO2 emissions. Grant assistance is available for households on income related benefit to top up the Warm Front grant scheme. Village purchasing of oil is to be piloted to reduce the cost and number of deliveries made to rural communities.</i></p> <p><i>Working in partnership with installers and energy providers, households in the borough are able to receive discounts on energy saving measures to their home. The service aims to raise the profile of renewable energy sources and their benefits, particularly in new build developments.</i></p>							
Link to Ambitions							
To make people's lives safer and healthier .							
Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Supplies and Services	1,940	0	0	0	0	0	1,940
Support Services	18,940	0	0	0	0	1,860	20,800
TOTAL EXPENDITURE	20,880	0	0	0	0	1,860	22,740
NET	20,880	0	0	0	0	1,860	22,740
Comments							
This service is expected to operate at a similar level to previous years.							

5.19 Non-Dwelling Rents

Service Description

GRAGE

This budget represents income received from ground rents and garage rents

Link to Ambitions

To be a **well managed** council providing **efficient services** based on **identified customer needs**

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Premises costs	3,860	0	0	0	0	0	3,860
Support services	8,190	0	0	0	0	-90	8,100
TOTAL EXPENDITURE	12,050	0	0	0	0	-90	11,960
Customer and client receipts	-27,970	0	-720	0	3,000	0	-25,690
Interest	-1,340	0	0	0	0	0	-1,340
TOTAL INCOME	-29,310	0	-720	0	3,000	0	27,030
NET	-17,260	0	-720	0	3,000	-90	-15,070

Comments

As a consequence of the declining state of repairs, there has been a reduction of the share of the garage income managed on our behalf by Ribble Valley Homes.

5.20 HOUSING STRATEGY

Service Description

HSTRA

The 'Moving on' Housing Strategy document sets out a delivery plan with six main objectives. The service works to achieve these objectives, which are all linked to two of the Council's ambitions – making people's lives safer and healthier & matching the supplies of homes in our area with the identified housing needs. The plan is updated regularly and the section achievements against the objectives are reported to the Housing Forum twice a year. The Strategy is in the process of being refreshed.

Link to Ambitions

To match the supply of homes in our area with the identified housing needs.

Budget Analysis	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Changes to Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Third party costs	4,810	0	0	0	0	0	4,810
Support Services	47,790	0	0	0	0	4,120	51,910
Capital charges	680	0	0	0	0	-680	0
TOTAL EXPENDITURE	53,280	0	0	0	0	3,440	56,720
NET	53,280	0	0	0	0	3,440	56,720

Comments

The restructuring exercise has resulted in a new charge to this service from the Chief Executive's Department following a reallocation of time from the former Development Department and Strategic Housing.

6 SUMMARIES

6.1 The draft budget is summarised in two ways. First the analysis is by the cost of the service (objective) provided by the Committee and is shown in table (a) below. The second is by the type of expenditure and income (subjective) and is shown in table (b).

a) *Cost of Services Provided (Objective)*

Cost Centre	Service Name	BUDGET ANALYSIS							LINK TO AMBITIONS			
		Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Increase in Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £	To help make people's lives safer and healthier	To protect and enhance the existing environmental quality of our area	To match the supply of homes in our area with the identified housing needs	To be a well managed council providing efficient services based on identified customer needs
CTBEN	Council Tax Benefits Admin	43,040	0	0	0	0	2,970	46,010				✓
HGBEN	Housing Benefits Admin	82,830	0	710	510	30,500	4,060	118,610				✓
COMNL	Common Land	11,360	0	0	0	0	-1,070	10,290		✓		
CLCEM	Clitheroe Cemetery	49,450	0	-1,070	0	3,030	-5,140	46,270		✓		
ENVGR	Grants & Subscriptions	2,060	0	0	0	0	0	2,060	✓			
CLAIR	Clean Air	4,170	0	50	0	4,500	-2,670	6,050	✓			
DOGWD	Dog Warden & Pest Control	113,270	0	-140	0	-15,470	-820	96,840	✓			
ENVHT	Environmental Health	308,480	0	-230	80	0	-11,120	297,210	✓			
CLAND	Contaminated Land	4,750	0	0	0	800	20	5,570	✓			
HSASS	Housing Associations	13,260	0	0	0	0	370	13,630			✓	
HSADV	Housing Advances	520	0	0	0	50	50	620			✓	

Cost Centre	Service Name	BUDGET ANALYSIS							LINK TO AMBITIONS			
		Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Increase in Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £	To help make people's lives safer and healthier	To protect and enhance the existing environmental quality of our area	To match the supply of homes in our area with the identified housing needs	To be a well managed council providing efficient services based on identified customer needs
SUPPE	Supporting People	5,530	0	0	0	0	-1,070	4,460			✓	
CLMKT	Clitheroe Market	-12,000	0	-2,630	0	180	-8,080	-22,530		✓		
JARMS	Joiners Arms	10,790	0	0	0	650	-1,080	10,360			✓	
HOMEQ	Homelessness General	52,990	0	0	0	0	-5,890	47,100			✓	
HOMES	Homelessness Strategy	-10,260	0	0	0	-50	12,170	1,860			✓	
IMPGR	Improvement Grants	33,950	0	0	0	0	-2,240	31,710			✓	
HOMEE	Home Energy Conservation	20,880	0	0	0	0	1,860	22,740	✓			
GRAGE	Non-Dwelling Rents	-17,260	0	-720	0	3,000	-90	-15,070				✓
HSTRA	Housing Strategy	53,280	0	0	0	0	3,440	56,720			✓	
NET COST OF SERVICES		771,090	0	-4,030	590	27,190	-14,330	780,510				

ITEMS ADDED TO/(TAKEN FROM) BALANCES AND RESERVES								
	DEFRA grant						-4,500	-4,500
NET COST OF SERVICES		771,090	0	-4,030	590	22,690	-14,330	776,010

b) **Type of Expenditure/Income (Subjective)**

	Original Estimate 2010/11 £	Less Non Recurring Items £	Inflation at 3% £	Inflation above or below 3% £	Unavoidable Increase in Service Cost £	Support Services & Capital £	Original Estimate 2011/12 £
Employee Costs	9,650	0	90	0	0	0	9,740
Premises Costs	137,400	0	830	0	-9,090	980	130,120
Transport Costs	3,720	0	70	0	0	0	3,790
Supplies and Services	69,150	0	910	590	5,390	290	76,330
Third Party	65,730	0	0	0	120	0	65,850
Transfer Payments	7,717,400	0	231,000	58,800	652,400	0	8,659,600
Support Services	1,048,540	0	0	0	0	-13,910	1,034,630
Depreciation & Impairment	19,310	0	0	0	0	-1,370	17,940
TOTAL EXPENDITURE	9,070,900	0	232,900	59,390	648,820	-14,010	9,998,000
Government Grants	-8,027,210	0	-231,000	-58,800	-625,650	-320	-8,942,980
Other Grants and Reimbursements	0	0	0	0	0	0	0
Customer & Client Receipts	-229,560	0	-5,930	0	3,960	0	-231,530
Interest	-2,430	0	0	0	0	0	-2,430
Miscellaneous Recharges	-40,610	0	0	0	60	0	-40,550
TOTAL INCOME	-8,299,810	0	-236,930	-58,800	-621,630	-320	-9,217,490
NET COST OF SERVICES	771,090	0	-4,030	590	27,190	-14,330	780,510

ITEMS ADDED TO/(TAKEN FROM) BALANCES AND RESERVES							
DEFRA grant					-4,500		-4,500
NET COST OF SERVICES	771,090	0	-4,030	590	22,690	-14,330	776,010

6.2 Net costs to this Committee have increased by **£4,920** between years. This has been caused by;

- An increased net cost of the transfer payments of Council Tax and Housing Benefits. These usually break even but this year there has been an increase in the number of disabled claimants in homes managed by charitable organisations. As these do not attract full grant the Council has to bear the cost of the residual amount. It is estimated that this will cost £30,000 this year.
- Garage income collected on our behalf by Ribble Valley Homes is also expected to fall this year by £3,000 reflecting a continuing trend. This has to some extent been offset by a reduction in the recharge made to this Committee for the collection of dog waste by £11,000.

- Support service costs have reduced by £14,380. Although there have been additional charges from Finance to Benefit Services, these have been offset by the effects of the restructuring of senior management and the consequent recharges to this Committee.

7 FEES AND CHARGES

7.1 Members will recall that fees and charges were agreed at the last meeting of this committee and were implemented from 4 January 2011 at the time of the VAT increase. There is no further proposed increase to these charges for the next financial year.

8 RECOMMENDED THAT COMMITTEE

8.1 Approve the revised budget for 2010/11

8.2 Agree the revenue budget for 2011/12 and to submit this to the next Policy and Finance Committee subject to the consideration of savings for 2011/12 by the Budget Working Group.



NEIL SANDIFORD

HH2-11/NS/AC
7 January 2011