

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION
REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No

meeting date: 21 JULY 2011
 title: REVENUE OUTTURN 2010/11
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To report on the outturn for the financial year 2010/11 in respect of the Revenue Budget for this Committee.

1.2 Relevance to the Councils ambitions and priorities:

- In accordance with corporate plan objective 2.3, this report provides members with information to ensure that budget allocation and expenditure is in line with corporate priorities.

2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison of actual expenditure with the revised estimate. You will see an overall under spend of £117,949 on the net cost of services.

Cost Centre	Cost centre name	Revised Estimate £	Actual £	Difference £
	Environmental services			
COMNL	Common land	9,100	8,065	-1,035
CLAIR	Clean air	-300	78	378
DOGWD	Dog warden and pest control	101,110	98,834	-2,276
CLAND	Contaminated land	5,570	9,840	4,270
CLMKT	Clitheroe market	-14,820	-16,439	-1,619
CLCEM	Clitheroe cemetery	54,580	42,274	-12,306
ENVHT	Environmental health	304,760	282,973	-21,787
ENVGR	Grants and subscriptions	1,860	1,875	15
	Sub total	461,860	427,500	-34,360
	Benefits			
CTBEN	Council tax benefits	49,830	42,728	-7,102
HGBEN	Housing benefits	110,520	40,321	-70,199
	Sub total	160,350	83,049	-77,301

Cost Centre	Cost centre name	Revised Estimate £	Actual £	Difference £
	Housing general fund			
HSASS	Housing associations	16,360	16,010	-350
HSADV	Housing advances	640	1,475	835
SUPPE	Supporting people	3,430	3,547	117
JARMS	Joiners Arms	2,360	446	-1,914
HOMEE	Home energy conservation	28,220	27,142	-1,078
IMPGR	Improvement grants	30,640	31,437	797
HOMEG	Homelessness general	51,930	49,688	-2,242
HOMES	Homelessness strategy	-14,420	-14,522	-102
GRAGE	Non-dwelling rents	-15,910	-15,651	259
HSTRA	Housing strategy	75,080	72,470	-2,610
	Sub total	178,330	172,042	-6,288
	Total net cost of services	800,540	682,591	-117,949
ITEMS ADDED TO (TAKEN FROM) BALANCES AND RESERVES				
HGBAL H275	Clean Air	-4,500	-4,500	0
HGBAL H213	Joiners Arms Adaptations	0	3,000	3,000
FNBAL H237	Single status reserve for equal pay re former housing staff	18,040	18,038	-2
		814,080	699,129	-114,951

2.2 We have extracted the main variations and shown them, with the budget holders' comments, in the table below.

SERVICE	REASON	£	£
Movement in expenditure – Increased costs			
Clean Air	There has been a small increase in the amount of air quality testing this year	418	
Housing Benefits	A change to the administration of the payment of benefits to BACS rather than by cheque has increased the cost of postage by £1,873. This will result in longer term cost reductions. Software maintenance costs are above expectations partly as a result of the changes planned for the introduction of the universal credit system. These additional costs of £2,645 are offset by extra grant income, which is shown below. Payment of benefits to applicants is higher than expected by £24,433. These cost are more than offset by additional housing benefit grant income, which is shown below.	28,951	
Supporting	Payments made to St Vincent's for the		

SERVICE	REASON	£	£
People	handyperson service are £2,186 more than predicted. These costs are offset by additional income, which is shown below.	2,186	
Clitheroe Market	The recharge from Community Services Division is £1,160 more than anticipated reflecting the freeze on recruitment.	1,160	
Housing Strategy	Some charges made to former Housing tenants for repair costs have had to be written off.	2,036	
Contaminated Land	The recharge from Community Services Division is £4,220 more than anticipated reflecting the freeze on recruitment.	4,220	
Movement in expenditure – Reduced costs			
Council Tax	The recharge from Resources (Revenues) is less than anticipated	-2,250	
Housing Benefits	The anticipated cost of rent rebate payments is less than forecast by £2,758. Also recharges from IT and Resources are less by £1,290 and £2,277 respectively reflecting the freeze on recruitment	-6,325	
Clitheroe Cemetery	The grounds maintenance recharge is £4,220 less than forecast, and there are reductions to the costs of repairs and maintenance of £1,465 and equipment of £1,444 reflecting the freeze on non-essential expenditure.	-7,129	
Dog Warden	Recharges from Grounds Maintenance and Development Services are £2,058 and £1,350 respectively.	-3,408	
Environmental Health	As a result of the number of posts held vacant and the freeze on recruitment, the recharge from Development Services is less than anticipated.	-18,378	
Clitheroe Market	The charge for depreciation is £3,096 less than predicted and the Community Services recharge is reduced by £1,160.	-4,257	
Improvement Grants	The recharge from Strategic Housing is less than anticipated.	-1,260	
Non Dwelling Rents	Repairs to garages are managed through a service level agreement with Ribble Valley Homes. These are less than expected.	-1,969	
Homelessness General	The recharge from Strategic Housing is less than anticipated	-1,837	
Joiners Arms	There has been a reduction in the depreciation charge this year.	-1,250	
Housing Strategy	The recharge from Strategic Housing is less than anticipated.	-1,480	
Other	Reduced costs.	<u>-5,932</u>	
Net movement in expenditure			-16,503

SERVICE	REASON	£	£
Movement in income – increased income			
Council Tax	We have received additional subsidy to cover an increase in costs and a small under provision in the grant budget	-4,607	
Housing Benefits	We have received income as a consequence of overpayments for which we receive 40% additional grant of £46,000, extra grant to cover the costs of payments made to claimants which amounted to £24,433 (see above) and 60% (£21,021) reimbursement of claims costing £35,035 for which a cautious budget approach of £10,000 grant was assumed. Also we have received grant to help with the additional costs of software development, the extra costs of which are also shown above.	-94,478	
Clitheroe Cemetery	Over the last two years income trends have been reducing. The approach adopted at revised estimate was one of slight caution but in some cases this caution has been reversed. At the Cemetery interment fees, monument fees and exclusive burial rights have shown improvements of £1,963, £1,332 and £1,312 respectively.	-4,607	
Environmental Health	We have been able to recover some internal costs associated with Flood Grant work.	-3,811	
Supporting People	Additional grant to offset extra costs shown above	-1,880	
Housing Strategy	A contribution from Ribble Valley Homes towards the cost of the acquisition of 35, Fairfield Road Longridge	-3,040	
Movement in income – reduced income			
Housing Benefits	Rate rebate payments have not been as high as expected resulting in a reduction to grant received.	5,934	
Clitheroe Market	Income from cabin and stall rentals has declined further by £1,163 and £1,087, reflecting the state of the retail problems facing traders	2,250	
Improvement grants	Fee income is generated from the implementation of the capital programme (disabled facilities and improvement work). The capital programme has slipped and this has impacted on the fee income.	1,535	
Non Dwelling Rents	The management of garages is undertaken by Ribble Valley Homes. Garage rents have been falling over recent years and the decline has continued.	1,258	
Net movement in income			-101,446
NET CHANGE IN COST OF SERVICES			-117,949

SERVICE	REASON	£	£
MOVEMENT IN RESERVE FUNDS			
Joiners Arms	Balance of fund for adaptations to two flats	3,000	
Single Status	Set aside to contribute towards future costs arising from single status/job evaluation	-2	
NET MOVEMENT IN RESERVE FUNDS			2,998
OVERALL UNDERSPEND (after transfers to/from earmarked reserves)			-114,951

3 CONCLUSION

- 3.1 The comparison between actual and budgeted expenditure shows an under spend for the financial year 2010/11 of £117,949. After transfers to/from earmarked reserves this is reduced to £114,951.
- 3.2 Within this net figure there are two large variations. These are extra housing benefit grant, which is £94,478 more than anticipated at revised estimate and a reduction of the recharge from Development Services to Environmental Health of £18,378. Other variations are almost in balance.
- 3.3 From the reasons for the variances at paragraph 2.2 it can be seen that there have been substantial planned savings as a result of the recruitment freeze and freeze on non-essential expenditure.
- 3.4 It is important to be mindful that a number of these savings may not be sustainable and that the structure review of the council by heads of service is ongoing, with an announcement of future changes expected later in the current financial year.
- 3.5 These figures exclude improvement grant deferred charges of £306,526 and the release of grants of £244,946.

SENIOR ACCOUNTANT

HH5-10/NS/AC
8 July 2011