

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

DECISION

Agenda Item No 7

meeting date: 24 JANUARY 2013  
title: REVISED REVENUE BUDGET 2012/13  
submitted by: DIRECTOR OF RESOURCES  
principal author: AMY JOHNSON

## 1 PURPOSE

- 1.1 To agree a revised revenue budget for 2012/13 for consideration at Special Policy and Finance Committee.

## 2 BACKGROUND

- 2.1 The original estimate for this current financial year was set in March 2012. As members will be aware, there can be numerous variations to the budget that come to our attention as the year progresses, particularly through the budget monitoring process.
- 2.2 At this time of year we take the opportunity to revise the estimates for the current financial year in order to better assess the level of movement anticipated within our earmarked reserves and balances, and to allow us to better forecast for the coming financial year.
- 2.3 At the time of setting the current year's budget, the Government had announced substantial reductions in the level of funding that it would provide to local authorities from 2011/12 and in to 2012/13, with no indication of what level of funding would be provided in the longer term.
- 2.4 Based on the information known at the time, a full service review was undertaken in 2011 in order to identify areas of potential saving. All of those put forward were considered and approved by Policy and Finance Committee on 22 November 2011.
- 2.5 Following the grant settlement in December 2011, the revised budget forecast estimated the amount of savings needed for 2012/13 as £635,000, which was fully achieved from the service review savings identified.
- 2.6 The budget was prepared for the current financial year after allowing for the service review savings package. The 2012/13 budget included provision for price increases of 2.5%. No allowance was made for pay increases. Where possible budgets were cash limited.

## 3 RESTATING OF ORIGINAL ESTIMATE

- 3.1 The original estimate that was approved in March 2012, and which is shown in the budget book, does not show the movements that were needed in the budget following the service reviews. One of the main areas of impact for this has been the movement of staffing into the Contact Centre service, from other departmental cost centres.
- 3.2 To allow a better comparison of the budget to the revised estimate within this report, the budget that was originally approved in March has been restated.
- 3.3 Overall the total net budget for the council has not changed, but at a committee level this has the impact of increasing or decreasing the budget levels on a number of service cost centres, which for this committee results in a net increase in budget.

3.4 The impact of this restatement has been summarised in the table below:

Service Area	Original Estimate £	Restated Original Estimate £
Benefits	103,810	103,410
Highway Services	6,820	6,820
Cemeteries & Crematoria	45,250	45,250
Environmental Health	386,550	386,550
Enabling Activities	18,710	18,710
Trading Services	-45,730	-43,730
Homelessness	47,040	47,040
Private Sector Housing	32,040	32,040
Home Energy Conservation Act	21,690	21,690
Other Council Property	-8,620	-8,620
Housing Strategy	63,510	63,510
<b>TOTAL</b>	<b>671,070</b>	<b>672,670</b>

#### 4 REVISED REVENUE BUDGET 2012/13

4.1 The revised budget is £42,270 higher than the original estimate. This is decreased to £7,680 lower than the original estimate after allowing for transfers to and from earmarked reserves. A comparison between the original and revised budgets for each cost centre is shown below.

Cost Centre	Cost Centre Name	Original Estimate 2012/13 £	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Revised Estimate 2012/13 £
CTBEN	Council Tax Benefits Admin	38,560	-44,920	-15,060	12,200	0	-9,220
HGBEN	Housing Benefits Admin	64,850	447,150	-412,870	850	0	99,980
COMNL	Common Land	6,820	0	0	-550	0	6,270
CLCEM	Clitheroe Cemetery	45,250	1,090	2,960	-3,330	0	45,970
ENVGR	Grants & Subscriptions	2,470	0	0	1,010	0	3,480
CLAIR	Clean Air	1,580	0	0	-20	0	1,560
DOGWD	Dog Warden & Pest Control	86,170	1,300	2,000	-6,310	0	83,160
ENVHT	Environmental Health	285,610	2,000	2,860	7,700	0	298,170
CLAND	Contaminated Land	10,720	0	0	1,210	0	11,930
HSASS	Housing Associations	13,440	0	0	-750	0	12,690
HSADV	Housing Advances	910	0	110	-40	0	980
SUPPE	Supporting People	4,360	0	0	-2,340	0	2,020
CLMKT	Clitheroe Market	-43,730	-4,360	0	-1,100	0	-49,190
JARMS	Joiners Arms	14,390	0	-100	910	0	15,200
HOMEG	Homelessness General	48,960	0	0	1,690	0	50,650
HOMES	Homelessness Strategy	-16,310	0	50	-3,550	0	-19,810
IMPGR	Improvement Grants	32,040	0	0	420	0	32,460
HOMEE	Home Energy Conservation	21,690	0	0	2,120	0	23,810

Cost Centre	Cost Centre Name	Original Estimate 2012/13 £	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Revised Estimate 2012/13 £
GRAGE	Non-Dwelling Rents	-8,620	5,000	1,570	-140	0	-2,190
HSTRA	Housing Strategy	63,510	98,670	-54,200	-960	0	107,020
<b>NET COST OF SERVICES</b>		<b>672,670</b>	<b>505,930</b>	<b>-472,680</b>	<b>9,020</b>	<b>0</b>	<b>714,940</b>
<b>ITEMS ADDED TO/(TAKEN FROM) BALANCES AND RESERVES</b>							
	DEFRA – Clean Air Grant						-480
	Warm Homes Reserve						-44,470
	Repairs Reserve (garages demolition)						-5,000
<b>NET EXPENDITURE</b>		<b>672,670</b>					<b>664,990</b>

4.2 The difference between the revised and original estimate is a net increase in expenditure of £42,270, however after allowing for transfers to and from earmarked reserves there is a net decrease in expenditure of £7,680. Details of the movements from the original estimate to the revised estimate are shown at Annex 1. However, a summary of the key changes is given below:

- Increase in the level of Support Services charged to this committee of £9,020, following the annual assessment of time allocations
- Anticipated lower level of Council Tax Benefit payments to be made of £56,300 which is fully offset by reduced subsidy that will be received from the government to fund these payments
- Anticipated higher Housing Benefit payments to be made of £453,000 which is fully offset by increased subsidy that will be received from the government to fund these payments
- Decrease in income from Cemetery Interment fees of £4,000 and Wasp Nests of £2,000 due to lower level of service requests.
- Decrease in income from Environmental Protection Fees of £3,510 as a result of a change in manufacturing processes at three establishments which result in inspections no longer being carried out by this council.
- Reduced NNDR costs (£7,000) at Clitheroe Market following the change to stallholders incurring the charge rather than the Council as a result of Valuation Office Agency changes.
- Demolition and fencing costs of £5,000 have been incurred at the former garage site at Riddings Lane, Whalley, which will be fully funded from earmarked reserves. This has also resulted in a loss of rental income (50% share) of £2,000

## 5 CONCLUSION

5.1 The revised budget is £42,270 higher than the original budget. However after taking into account transfers to and from reserves the revised estimate shows an estimated decrease in net expenditure of £7,680.

## 6 RISK ASSESSMENT

### 6.1 Approval of this report may have the following implications

- Resources – It is estimated that the net cost of this committee is £7,680 lower than originally estimated.
- Technical, Environmental and Legal – the Council has a statutory duty to carry out some of the services which fall under the responsibility of this committee.
- Political – services offered by this committee help in the achievement of the Council's political priorities.
- Reputation – failure to offer the current level of services may impact upon the reputation of the Council.
- Equality and Diversity – None

## 7 RECOMMENDED THAT COMMITTEE

- 7.1 Approve the revised budget for 2012/13 and submit this to the Special Policy and Finance Committee subject to any further consideration by the Budget Working Group.

SENIOR AUDITOR

DIRECTOR OF RESOURCES

HH1-13/AJ/AC  
7 January 2013

### BACKGROUND PAPERS

For further information please ask for Amy Johnson, extension 4498.

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>CTBEN: Council Tax Benefits Administration</b>					
<b>Employees</b> It is anticipated that additional training of housing benefit staff will be required due to the implementation of the Localised Council Tax Support Scheme.	500				500
<b>Supplies and Services</b> Additional costs relating to the scanning of documents and the purchase of software due to the implementation of the Localised Council Tax Support Scheme. Grant income has been received to cover these costs.	8,150				8,150
<b>Third Party Payments</b> Costs have been incurred due to the consultation exercise carried out in respect of the implementation of the Localised Council Tax Support Scheme. Grant income has been received to cover these costs.	2,730				2,730
<b>Council Tax Rebates</b> There has been a decrease in the number of claimants and subsidy payments have therefore fallen to reflect this.	-56,300				-56,300
<b>Council Tax Subsidy</b> Less subsidy has been claimed due to the anticipated fall in the number of claimants		56,300			56,300
<b>Council Tax Admin Subsidy</b> Administration subsidy received has now been apportioned equally between housing benefits and council tax benefits (previously apportioned based upon at 70:30 ratio with the majority being apportioned to housing benefits).		-49,860			-49,860
<b>Localisation of Council Tax Support Grant</b> Grant income has been received to cover costs incurred due to the implementation of the Localised Council Tax Support Scheme.		-21,500			-21,500

**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Support Services:</b> A reassessment of time allocations mainly in Financial Services and Revenue Services, due to departmental activities			12,200		12,200
<b>Total Council Tax Benefits Administration</b>					<b>-47,780</b>
<b>HGBEN: Housing Benefits</b>					
<b>Employees</b> Tuition fees and training expenses budgets have been reduced due to freeze on non-essential spending.	-1,570				-1,570
<b>Postages</b> Increased number of payments of benefits by BACS rather than cheque has further reduced postage costs.	-1,000				-1,000
<b>Software Maintenance</b> There has been an increase to software maintenance costs.	950				950
<b>Subscriptions</b> A decision has been taken to withdraw from a service provider for a less expensive alternative	-1,600				-1,600
<b>Publicity</b> Reduced spending as a result of the freeze on non-essential spending. Publicity undertaken internally e.g. RV News.	-1,500				-1,500
<b>Bank Charges</b> Further reduction in charges as a result of the change from the payment of benefits by cheque to BACS	-560				-560
<b>Contribution toward GF Rent Rebates</b> Reduction in anticipated costs for rent rebate payments.	-570				-570
<b>Rent Allowance Payments</b> There has been a significant increase in the number of claimants this year. Additional costs are covered by subsidy (see below)	453,000				453,000

**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Support Services:</b> A reassessment of time allocations mainly in Financial Services and IT Services, due to departmental activities			820		820
<b>Rent Allowances Subsidy</b> Additional subsidy to cover the costs of additional payments to claimants plus the reinstatement of subsidy in relation to the recovery of overpayments		-453,000			-453,000
<b>HRA Rent Rebate Grant</b> Reduction in anticipated grant for rent rebate payments.		570			570
<b>Administration Grant</b> Administration grant received has now been apportioned equally between housing benefits and council tax benefits (previously apportioned based upon at <b>70:30</b> ratio with the majority being apportioned to housing benefits).		39,560			39,560
<b>Total Housing Benefits</b>					<b>35,130</b>
<b>COMNL: Common Land</b>					
<b>Support Services: Financial Services</b> A reassessment of time allocations due to departmental activities.			-550		-550
<b>Total Common Land</b>					<b>-550</b>
<b>CLCEM: Clitheroe Cemetery</b>					
<b>Oncosted Wages</b> Increase in maintenance costs at the Cemetery site	1,200				1,200
<b>Electricity</b> Electricity charges to the cemetery have reduced.	-210				-210
<b>Grounds Maintenance</b> A reduction in interments has led to a reduction in grounds maintenance recharges.			-180		-180
<b>Rental</b> Waste rental charges higher than anticipated.	100				100

**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Support Services:</b> A reassessment of time allocations mainly in Community Services, Financial Services and Organisation and Member Development, due to departmental activities			-3,150		-3,150
<b>Interment Fees</b> The number of interments carried out is lower than anticipated.		4,000			4,000
<b>Monument Fees</b> Income relating to monument fees is higher than expected.		-1,000			-1,000
<b>Land Rents</b> Income relating to land rents is greater than anticipated.		-40			-40
<b>Total Clitheroe Cemetery</b>					<b>720</b>
<b>ENVGR: Environmental Grants</b>					
<b>Support Services:</b> Change in time allocations			1,010		1,010
<b>Total Environmental Grants</b>					<b>1,010</b>
<b>CLAIR: Clean Air</b>					
<b>Support Services: Financial Services</b> A reassessment of time allocations due to departmental activities.			-20		-20
<b>Total Clean Air</b>					<b>-20</b>
<b>DOGWD: Dog Warden and Pest Control</b>					
<b>Grounds Maintenance Recharge</b> Costs incurred by the grounds maintenance section relating to the repair/implementation of dog bins.	1,840				1,840
<b>Vehicles Repairs and Maintenance</b> Increased expenditure due to the age of the vehicle meaning that more maintenance work is required.	250				250



**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Diesel</b> A fall in the number of treatments carried out (wasp nests) has led to a reduction in usage and therefore costs.	-780				-780
<b>Supplies and Services Baits &amp; Poisons</b> Reduction of costs due to a fall in demand for the treatment of wasp nest.	-70				-70
<b>Supplies and Services Protective Clothing</b> Increased expenditure due to the need to provide protective equipment to staff.	60				60
<b>Support Services:</b> A reassessment of time allocations mainly in Chief Executive's, Community Services and Financial Services, due to departmental activities			-6,310		-6,310
<b>Customer and Client Receipts Wasp Nests</b> The damp summer has meant that there has been less of a demand for the service.		2,000			2,000
<b>Total Dog Warden and Pest Control</b>					<b>-3,010</b>
<b>ENVHT: Environmental Health Service</b>					
<b>Supplies and Services Stationery</b> The purchase of a new printer has resulted in increased consumables.	2,000				2,000
<b>Supplies and Services Software Maintenance</b> Increase in software maintenance costs imposed externally.	250				250
<b>Supplies and Services Subscriptions</b> Reduced spending as a result of the freeze on non-essential spending.	-250				-250
<b>Support Services:</b> A reassessment of time allocations mainly in Chief Executive's and Organisation and Member Development due to departmental activities			7,700		7,700

**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Licence Income</b> Increase in licence sales has resulted in an increase in income.		-400			-400
<b>Environmental Protection Fees</b> Incorrect fees were charged in the past which have now been corrected. Also, three inspections have been lost due to a change in manufacturing processes.		3,510			3,510
<b>Street Trading Licences</b> Increase in licence sales has resulted in an increase in income.		-250			-250
<b>Total Environmental Health Service</b>					<b>12,560</b>
<b><i>CLAND: Contaminated Land</i></b>					
<b>Support Services: Community Services</b> A reassessment of time allocations due to departmental activities.			1,210		1,210
<b>Total Contaminated Land</b>					<b>1,210</b>
<b><i>HSASS: Housing Associations</i></b>					
<b>Support Services:</b> A reassessment of time allocations mainly in Chief Executive's and Community Services, due to departmental activities			-750		-750
<b>Total Housing Associations</b>					<b>-750</b>
<b><i>HSADV: Housing Advances</i></b>					
<b>HFPA Mortgages</b> Income has decreased to reflect the repayment of a mortgage.		110			110
<b>Support Services: Financial Services</b> A reassessment of time allocations has resulted in a decrease of charges from Financial Services.			-40		-40
<b>Total Housing Advances</b>					<b>-70</b>

**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>SUPPE: Supporting People</b>					
<b>Support Services:</b> A reassessment of time allocations mainly in Chief Executive's, Financial Services and Revenue Services, due to departmental activities			-2,340		-2,340
<b>Total Supporting People</b>					<b>-2,340</b>
<b>CLMKT: Clitheroe Market</b>					
<b>Temporary Staff</b> The early retirement of the market inspector meant that temporary staff had to be employed whilst the recruitment exercise was undertaken.	1,000				1,000
<b>Employee Insurances</b> The reduction in the number of hours that the market inspector works has led to a fall in employee insurance costs.	-120				-120
<b>National Non Domestic Rates (NNDR)</b> The charging of NNDR direct to tenants has resulted in lower costs to the Council. This was as a result of changes imposed by the Valuation Office Agency.	-7,000				-7,000
<b>Cleaning Materials</b> Additional charges have been incurred relating to the removal of the waste paper skip. An alternative supplier has since been sourced who does not charge for the removal of the skip.	1,440				1,440
<b>Premises Insurance</b> Costs are apportioned based upon the number of claims within the last three years and also rebuild costs. This has resulted in an increase to this cost.	320				320
<b>Support Services: Chief Executives</b> A reassessment of time allocations mainly in Chief Executive's, Community Services and Financial Services, due to departmental activities			-1,420		-1,420

**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>Recharges to other Services – CCTV</b> A reduction in the cost of service has led to a decrease in recharge costs.			320		320
<b>Total Clitheroe Market</b>					<b>-5,460</b>
<b>JARMS: Joiners Arms</b>					
<b>Support Services: Community Services</b> Increased homelessness has led to an increase in this service charge.			910		910
<b>Service Charges RVH</b> Surplus on homeless accommodation charges		-100			-100
<b>Total Joiners Arms</b>					<b>810</b>
<b>HOME: Homelessness General</b>					
<b>Support Services:</b> A reassessment of time allocations mainly in Chief Executive's and Community Services, due to departmental activities			1,690		1,690
<b>Total Homelessness General</b>					<b>1,690</b>
<b>HOMES: Homelessness Strategy</b>					
<b>Support Services:</b> A reassessment of time allocations mainly in Chief Executive's due to departmental activities			-3,550		-3,550
<b>DCLG Homelessness Grant</b> The homelessness grant is being reduced by £50 this year		50			50
<b>Total Homelessness Strategy</b>					<b>-3,500</b>
<b>IMPGR: Improvement Grants</b>					
<b>Support Services:</b> A reassessment of time allocations mainly in Chief Executive's , Community Services and Financial Services, due to departmental activities			420		420
<b>Total Improvement Grants</b>					<b>420</b>

**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b><i>HOME: Home Energy Conservation</i></b>					
<b>Support Services:</b> A reassessment of time allocations mainly in Community Services and Financial Services, due to departmental activities			2,120		2,120
<b>Total Home Energy Conservation</b>					<b>2,120</b>
<b><i>GRAGE: Non Dwelling Rents</i></b>					
<b>Demolition and Fencing Costs</b> Costs relating to the demolition of garages at Riddings Lane, Whalley. To be funded from the Repairs and Maintenance Reserve.	5,000				5,000
<b>Support Services: Financial Services</b> A reassessment of time allocations due to departmental activities.			-140		-140
<b>Garage Rents 50% Share</b> The loss of garage site at Henthorn Road, Clitheroe and Ridding Lane, Whalley has resulted in a fall in rental income.		2,000			2,000
<b>Annual Rent Shared Ownership</b> Based upon higher than anticipated levels of income in previous years, the budget has been amended to reflect this.		-430			-430
<b>Total Non-Dwelling Rents</b>					<b>6,430</b>

**Health and Housing Committee – Main Movements between Original and Revised Estimates 2012/13**

	Movement in Expenditure £	Movement in Income £	Movement in Support Services £	Movement in Capital Costs £	Total Movement £
<b>HSTRA: Housing Strategy</b>					
<b>Warm Homes Healthy People Fund</b> Expenditure is in relation to schemes which aim to reduce death and morbidity amongst elderly households, due to cold in the Ribble Valley. Up to 1,000 households will be provided with energy advice and a keep warm pack. Grant funding has been received to cover these costs (as shown). The remaining balance will be funded from resources held in reserves.	98,670	-54,200			44,470
<b>Support Services:</b> A reassessment of time allocations mainly in Chief Executive's, Community Services and Financial Services, due to departmental activities			960		960
<b>Total Housing Strategy</b>					<b>43,510</b>
<b>TOTALS</b>	<b>505,930</b>	<b>-472,680</b>	<b>9,020</b>	<b>0</b>	<b>42,270</b>

<b>Transfers to/from earmarked Reserves</b>					
DEFRA – Clean Air Grant					-480
Warm Homes Reserve					-44,470
Repairs Reserve (Garages Demolition)					-5,000
<b>Net after transfers to and from earmarked Reserves</b>					<b>-7,680</b>