

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No 10

meeting date: 3 SEPTEMBER 2015  
 title: REVENUE OUTTURN 2014/15  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: ANDREW COOK

## 1 PURPOSE

1.1 To report the Health and Housing Committee revenue outturn for the financial year 2014/15.

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, and to maintain critical financial management controls, ensuring the authority provides council tax payers with value for money.
- Other Considerations – none identified.

## 2 BACKGROUND

2.1 The Council's draft Statement of Accounts have been audited by the Council's external auditors. The audited version of the Accounts have been submitted to the Accounts and Audit Committee for their meeting on the 26 August 2015 for approval. Confirmation of their approval will be provided at your meeting.

2.2 The information contained within the Statements is in a prescriptive format. However, the service cost information is being reported to committees for their own relevant services in our usual reporting format, in the current cycle of meetings.

## 3 REVENUE OUTTURN 2014/15

3.1 Net expenditure for each cost centre in 2014/15 is shown below and is compared with the revised estimate approved by Committee on 22 January 2015. You will see an overall underspend of £134,621 for Health and Housing Committee. After allowing for transfers to and from earmarked reserves this underspend decreases to £62,461. Please note that underspends are denoted by figures with a minus symbol.

Cost Centre	Cost Centre Name	Revised Estimate 2014/15 £	Actual 2014/15 £	Variance £
AWARM	Affordable Warmth	22,540	-73	-22,613
CLAIR	Clean Air	3,630	3,690	60
CLAND	Contaminated Land	12,340	11,991	-349
CLCEM	Clitheroe Cemetery	57,370	55,933	-1,437
CLMKT	Clitheroe Market	-49,290	-53,059	-3,769
COMNL	Common Land	2,680	2,307	-373
CTBEN	Localised Council Tax Support Administration	78,310	23,085	-55,225
DOGWD	Dog Warden and Pest Control	90,620	84,244	-6,376

Cost Centre	Cost Centre Name	Revised Estimate 2014/15 £	Actual 2014/15 £	Variance £
ENVGR	Environmental Grants and Subscriptions	2,150	2,121	-29
ENVHT	Environmental Health Services	291,830	287,792	-4,038
HGBEN	Housing Benefits Administration	62,210	42,077	-20,133
HOMEE	Home Energy Conservation	13,210	13,116	-94
HOMEG	Homelessness General	53,810	52,787	-1,023
HOMES	Homelessness Strategy	32,700	23,053	-9,647
HSADV	Housing Advances	500	509	9
HSASS	Housing Associations	6,230	6,173	-57
HSTRA	Housing Strategy	54,460	54,068	-392
IMPGR	Improvement Grants	27,270	25,554	-1,716
JARMS	Joiners Arms	19,590	12,680	-6,910
SHARE	Shared Ownership Rents	-2,150	-2,340	-190
SUPPE	Supporting People	16,820	16,932	112
UCRED	Universal Credit	1,000	566	-434
WARMH	Warm Homes Healthy People	2,710	2,713	3
<b>NET COST OF SERVICES</b>		<b>800,540</b>	<b>665,919</b>	<b>-134,621</b>

#### ITEMS ADDED TO OR (TAKEN FROM) EARMARKED RESERVES

HGBAL/ H339	Government Housing Grants Reserve (Affordable Warmth)	-22,540	73	22,613
HGBAL/ H339	Government Housing Grants Reserve (Warm Homes Healthy People)	-2,710	-2,713	-3
HGBAL/ H339	Government Housing Grants Reserve (Prevention of Rough Sleeping)	0	-200	-200
HGBAL/ H339	Government Housing Grants Reserve (Single Homelessness Initiative Funding)	0	3,117	3,117
HGBAL/ H275	Clean Air Reserve (Clean air monitoring)	-480	-480	0
HGBAL/ H337	Equipment Reserve (Dog Control Order Signs)	-2,500	-2,787	-287
HGBAL/ H337	Equipment Reserve (LCTS New Burdens Grant)	0	20,170	20,170
CPBAL/ H330	Capital Reserve (Receipts from sale of vehicle)	0	1,750	1,750
CPBAL/ H330	Capital Reserve (LCTS New Burdens Grant)	0	25,000	25,000
<b>NET ITEMS ADDED TO OR (TAKEN FROM) EARMARKED RESERVES</b>		<b>-28,230</b>	<b>43,930</b>	<b>72,160</b>

#### NET EXPENDITURE AFTER ITEMS ADDED TO OR (TAKEN FROM) EARMARKED RESERVES

		<b>772,310</b>	<b>709,849</b>	<b>-62,461</b>
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3.2 The main income and expenditure variations are shown at Annex 1. However, a summary of the major variations is given in the table below.

Service Area	Description of Variance	Amount £
<b>AWARM:</b> Affordable Warmth	<p>Less affordable warmth expenditure than expected in-year due to:</p> <ul style="list-style-type: none"> <li>• Lower take up of affordable warmth schemes across the borough, such as boiler replacement grants, emergency heaters and dehumidifiers.</li> <li>• Planned additional expenditure with other organisations was not required in practice - for example, NHS bodies discharge arrangements were agreed within current running costs.</li> <li>• Less promotional activity in-year across the borough than initially planned and the activity undertaken led to no additional expenditure.</li> </ul> <p>The unspent grant funds have been set aside in the Government Housing Grants Reserve to support expenditure in this area in 2015/16.</p>	-22,489
<b>CTBEN:</b> Localised Council Tax Support Administration	<p>Expenditure incurred in responding to the new burdens placed on the Council as a result of the introduction of the Local Council Tax Support system was lower than anticipated. This underspend has been set aside in earmarked reserves at year-end to fund any future additional new burdens related equipment and materials purchases and the Replacement IT Server for Revenues and Benefits in 2017/18.</p>	-45,172
	<p>Reduced supplies and services expenditure due to less postage costs than budgeted for and some other costs being chargeable to the new burdens non-recurring budget for 2014/15.</p>	-3,037
	<p>Following the introduction of Local Council Tax Support in 2013/14 the Council can retain any overpayments of the now abolished Council Tax Benefit that have been recovered in-year. Recovery of such overpayments was higher than budgeted for in 2014/15.</p>	-3,923
<b>HGBEN:</b> Housing Benefits	<p>There has been a decrease in payments of rent allowances to housing benefits claimants, due to a reduction in caseload. In addition, there has been an increase in rent allowance overpayment bills raised in 2014/15, which also reduces expenditure (-£195,221).</p> <p>This was slightly offset by rent rebate payments to housing benefits claimants, which were higher than anticipated in-year (+£12,356).</p>	-182,865
	<p>Housing benefits subsidy grant received from the Government is less than anticipated at revised estimate. This reflects the net reduction in payments made in-year to housing benefits claimants – see above.</p>	171,749
	<p>Expenditure incurred in responding to the new burdens placed on the Council as a result of housing benefits and other welfare system changes was lower than anticipated.</p>	-6,375

Service Area	Description of Variance	Amount £
<b>HOMES:</b> Homelessness Strategy	Take up of Tenancy Protection Scheme grants offered to private sector tenants for the payment of bonds was lower than anticipated.	-4,789
	Residual Single Homelessness Initiative funding was received in late 2014/15. The funding is ring-fenced for spending on Single Homelessness only, so has been added to the Government Housing Grants earmarked reserve, for future single homelessness related spend only.	-3,117
<b>JARMS:</b> Joiners Arms	Contract payments to Ribble Valley Homes for management of the Joiners Arms homeless unit were reduced in-year due to Housing Benefits funding that Ribble Valley Homes received for some people accommodated in the unit.	-5,296
<b>VARIOUS:</b> Support Services	The overall level of support service recharges from central departments was lower than budgeted, due to underspends in the central departments.	-10,779

3.3 As can be seen above, the biggest variances are related to Housing Benefits. Whilst the variances may appear high, these budgets are on a benefit caseload of over £7m, and payments made in-year are covered by subsidy received from Government.

#### 4 CONCLUSION

4.1 There has been an overall underspend for Health and Housing Committee of £134,600, decreasing to £62,500 after allowing for transfers to and from earmarked reserves.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH8-15/AC/AC  
24 August 2015

BACKGROUND PAPERS  
*Revised Estimates approved by Committee on 22 January 2015*  
*Closedown Working Papers*

For further information please ask for Andrew Cook.

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<b><u>AWARM: Affordable Warmth</u></b>					
Less affordable warmth expenditure than expected in-year due to: <ul style="list-style-type: none"> <li>Lower take up of affordable warmth schemes across the borough, such as boiler replacement grants, emergency heaters and dehumidifiers.</li> <li>Planned additional expenditure with other organisations was not required in practice - for example, NHS bodies discharge arrangements were agreed within current running costs.</li> <li>Less promotional activity in-year across the borough than initially planned and the activity undertaken led to no additional expenditure.</li> </ul> <p>The unspent grant funds to support expenditure in this area for 2015/16 onwards have been set aside in the Government Housing Grants earmarked reserve.</p>	-22,489				-22,489
<b>Total Affordable Warmth</b>	<b>-22,489</b>				<b>-22,489</b>
<b><u>CLCEM: Clitheroe Cemetery</u></b>					
Additional repairs were needed in year, such as remedial kerbing and cobbling works and drains excavation.	2,077				2,077
Commemorative trees income increased due to a large one-off receipt in-year for memorial trees. This has been offset by increased expenditure for purchasing the trees.		-2,878			-2,878
More interments and monument applications income than anticipated at revised estimate stage.		-1,055			-1,055
<b>Total Clitheroe Cemetery</b>	<b>2,077</b>	<b>-3,933</b>			<b>-1,856</b>
<b><u>CLMKT: Clitheroe Market</u></b>					
Premises costs are lower due to: <ul style="list-style-type: none"> <li>Lower electricity usage, the winter was relatively mild and expenditure is lower than budgeted.</li> <li>Lower water usage and cleaning materials need than anticipated.</li> <li>Less refuse collection recharges than budgeted for.</li> </ul>	-3,633				-3,633

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Reduced recharge to the CCTV budget because the premises costs were lower than anticipated (see above).		1,621			1,621
<b>Total Clitheroe Market</b>	<b>-3,633</b>	<b>1,621</b>			<b>-2,012</b>
<b><u>CTBEN: Localised Council Tax Support Administration</u></b>					
The non-recurring purchases of equipment and materials budget mirrors one-off income received from Central Government to fund expenditure for new burdens placed on the Council as a result of Council Tax Support system changes. Expenditure in-year was lower than budgeted, but does include all in-year new burdens requirements. £45,170 of the underspend has been set aside in earmarked reserves at year-end to fund: <ul style="list-style-type: none"> <li>any future additional new burdens related equipment and materials purchases in Revenues and Benefits, £20,170; and</li> <li>the Replacement IT Server for Revenues and Benefits in 2017/18, £25,000.</li> </ul>	-45,172				-45,172
Reduced supplies and services expenditure due to: <ul style="list-style-type: none"> <li>some in-year scanning, software and stationery costs being charged against the New Burdens one-off budget for 2014/15; and</li> <li>less postage costs than budgeted for.</li> </ul>	-3,037				-3,037
Reduced support services recharges than planned mainly due to: <ul style="list-style-type: none"> <li>lower costs than budgeted for within Revenue Services; and</li> <li>less use of transactional services on Local Council Tax Support than was budgeted for at revised estimate.</li> </ul>			-3,296		-3,296
Following the introduction of Local Council Tax Support in 2013/14 the Council can retain any overpayments of the now abolished Council Tax Benefit that have been recovered in-year. Recovery of such overpayments was higher than budgeted for in 2014/15.		-3,923			-3,923
<b>Total Localised Council Tax Support Administration</b>	<b>-48,209</b>	<b>-3,923</b>	<b>-3,296</b>		<b>-55,428</b>

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<b><u>DOGWD: Dog Warden and Pest Control</u></b>					
Grounds maintenance underspend due to a reduced need for the grounds maintenance team than anticipated at revised estimate stage.	-1,246				-1,246
Underspend on diesel due to lower fuel prices in practice than budgeted for.	-724				-724
Reduced non-staff costs in Chief Executive's department have led to a lower recharge to this budget.			-1,690		-1,690
Additional income from sales in two areas: <ul style="list-style-type: none"> <li>£1,125 one-off income from Read and Chatburn Parish Councils to cover the costs spent on new dog bins in those parishes.</li> <li>£1,750 receipt from the disposal of an old dog warden van. This income was set aside in the earmarked Capital Reserve at year-end for financing future capital expenditure.</li> </ul>		-2,875			-2,875
<b>Total Dog Warden and Pest Control</b>	<b>-1,970</b>	<b>-2,875</b>	<b>-1,690</b>		<b>-6,535</b>
<b><u>ENVHT: Environmental Health Services</u></b>					
Reduced actual recharges from several departments, when compared to revised estimate. The biggest reduction is due to lower than budgeted non-staff costs in the Chief Executive's department.			-3,749		-3,749
<b>Total Environmental Health Services</b>			<b>-3,749</b>		<b>-3,749</b>

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<b><u>HGBEN: Housing Benefits Administration</u></b>					
The non-recurring purchases of equipment and materials budget mirrors one-off income received from Central Government to fund expenditure for new burdens placed on the Council as a result of benefits system changes. Additional expenditure in-year was lower than budgeted, but does include all in-year new burdens requirements.	-6,375				-6,375
Reduced supplies and services expenditure due to: <ul style="list-style-type: none"> <li>some in-year scanning, software and stationary costs being charged against the New Burdens one-off budget for 2014/15; and</li> <li>less postage costs than budgeted for.</li> </ul>	-3,047				-3,047
Rent Rebate payments to claimants were higher than anticipated in-year. This increase is mirrored by higher Rent Rebate grant income (see below), so there is no significant overspend in practice.	12,356				12,356
Rent Allowance payments are lower than anticipated. The main reason is because claimant case load has reduced. This reduction is mirrored by lower Rent Allowance grant income (see below), so there is no significant underspend in practice. In addition, there has been an increase in rent allowance overpayments bills raised to claimants in 2014/15. This reduces net expenditure also.	-195,221				-195,221
Higher recharge than planned from Financial Services because of more use of transactional services on Housing Benefits than budgeted for at revised estimate.			1,565		1,565
Lower recharge than planned from Revenue Services because there were lower costs than budgeted for within Revenue Services.			-1,415		-1,415
Rent Allowance claimant case load has reduced and therefore Rent Allowance payments have reduced (see Rent Allowance payments above). Rent Allowance subsidy grant income mirrors Rent Allowance payments made in-year, so this income has reduced accordingly.		184,105			184,105
Rent Rebate payments to claimants were higher than anticipated in-year (see Rent Rebate payments above). Rent Rebate subsidy grant income mirrors Rent Rebate payments made in-year, so this income has increased accordingly.		-12,356			-12,356
<b>Total Housing Benefits Administration</b>	<b>-192,287</b>	<b>171,749</b>	<b>150</b>		<b>-20,388</b>



	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
<b><u>HOMES: Homelessness Strategy</u></b>					
Less reliance and expenditure on bed and breakfast and alternative homelessness accommodation in-year because there are more affordable housing units to provide secure housing in the borough.	-1,252				-1,252
Take up of Tenancy Protection Scheme grants offered to private sector tenants for the payment of bonds has been lower than budgeted. In addition, there have been a number of repayments of funds from tenants supported previously. These repayments have reduced net expenditure in-year.	-4,789				-4,789
This is residual DCLG Single Homelessness Initiative (SHI) funding shared between all Lancashire Districts in late 2014/15 following an underspend on the SHI contract across Lancashire. The funding is ring-fenced for spending on Single Homelessness only, so has been added to the Government Housing Grants earmarked reserve, for future single homelessness related spend only.		-3,117			-3,117
<b>Total Homelessness Strategy</b>	<b>-6,041</b>	<b>-3,117</b>			<b>-9,158</b>
<b><u>IMPGR: Improvement Grants</u></b>					
A higher number of Disabled Facilities Grants have been administered in-year than budgeted for. This has increased the administration charge income received by the Council's housing team.		-2,610			-2,610
A lower number of Landlord Tenant Grants have been administered in-year than budgeted for. This has reduced the administration charge income received by the Council's housing team.		1,227			1,227
<b>Total Improvement Grants</b>		<b>-1,383</b>			<b>-1,383</b>
<b><u>JARMS: Joiners Arms</u></b>					
Water mains repair work initially planned for late 2014/15 was not undertaken in-year.	-1,715				-1,715

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Contract payments to Ribble Valley Homes for management of the Joiners Arms unit are reduced for any Housing Benefits funding that Ribble Valley Homes receive for people accommodated in the unit. This HB funding is not budgeted for because of the uncertain nature of homelessness provision. The actual HB funding for 2014/15 was £5,233.	-5,296				-5,296
<b>Total Joiners Arms</b>	<b>-7,011</b>				<b>-7,011</b>
<b><u>UCRED: Universal Credit</u></b>					
Less input in practice into the new Universal Credit service from the finance, IT and communications teams, than planned for. This is reflected in a reduced recharge from those departments.			-2,638		-2,638
No contact centre input was budgeted for on the new Universal Credit service. In practice, the contact centre dealt with queries from residents and a recharge has been made for this work.			2,052		2,052
<b>Total Universal Credit</b>			<b>-586</b>		<b>-586</b>
<b>Other Variances</b>	<b>97</b>	<b>-2,511</b>	<b>-1,608</b>	<b>-4</b>	<b>-4,026</b>
<b>Total Variances Before Transfers to/(from) Earmarked Reserves</b>	<b>-279,466</b>	<b>155,628</b>	<b>-10,779</b>	<b>-4</b>	<b>-134,621</b>
<b>VARIANCES ON ITEMS TO BE ADDED TO OR (TAKEN FROM) EARMARKED RESERVES</b>					
Government Housing Grants Reserve (Affordable Warmth)					22,613
Government Housing Grants Reserve (Warm Homes Healthy People)					-3
Government Housing Grants Reserve (Prevention of Rough Sleeping)					-200
Government Housing Grants Reserve (Single Homelessness Initiative Funding)					3,117

	Variation in Expenditure £	Variation in Income £	Variation in Support Services £	Variation in Capital Costs £	Total Variation £
Equipment Reserve (Dog Control Order Signs)					-287
Equipment Reserve (LCTS New Burdens Grant)					20,170
Capital Reserve (Receipts from sale of vehicle)					1,750
Capital Reserve (LCTS New Burdens Grant)					25,000
<b>Overall under spending after transfers to/(from) earmarked reserves</b>					<b>-62,461</b>