

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

INFORMATION

Agenda Item No 11

meeting date: 3 SEPTEMBER 2015
 title: REVENUE MONITORING 2015/16
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 The purpose of this report is to provide Health and Housing Committee with information relating to the progress of the 2015/16 revenue budget, as at the end of July 2015.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – none identified.
- Corporate Priorities - to continue to be a well-managed council providing efficient services based on identified customer need, whilst ensuring the Council provides council tax payers with value for money.
- Other Considerations – none identified.

2 REVENUE MONITORING 2015/16

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period April 2015 to July 2015. You will see an overall underspend of £53,984 on the net cost of services, as at the end of July 2015. After allowing for transfers to and from earmarked reserves, the underspend is increased to £62,336. Please note that underspends are denoted by figures with a minus symbol.

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of period £	Actual including Commitments to the end of the period £	Variance £	
CTBEN	Localised Council Tax Support Administration	107,700	-36,763	-36,933	-170	G
HGBEN	Housing Benefits Administration	74,400	-125,463	-174,576	-49,113	R
UCRED	Universal Credit	19,980	48	-4,947	-4,995	A
COMNL	Common Land	2,730	216	28	-188	G
CLCEM	Clitheroe Cemetery	50,410	4,880	5,572	692	G
ENVGR	Grants & Subscriptions - Health & Housing	2,180	740	0	-740	G
CLAIR	Clean Air	1,870	628	829	201	G
DOGWD	Dog Warden & Pest Control	89,040	1,725	4,191	2,466	A

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of period £	Actual including Commitments to the end of the period £	Variance £	
ENVHT	Environmental Health Services	290,150	-12,958	-14,726	-1,768	G
CLAND	Contaminated Land	15,770	112	0	-112	G
HSASS	Housing Associations	6,000	0	0	0	G
HSADV	Housing Advances	90	110	0	-110	G
AWARM	Affordable Warmth	0	0	2,872	2,872	A
SUPPE	Supporting People	16,570	0	6	6	G
CLMKT	Clitheroe Market	-45,790	-93,960	-95,995	-2,035	A
JARMS	Joiners Arms	18,750	10,100	10,674	574	G
HOMEG	Homelessness General	53,880	166	0	-166	G
HOMES	Homelessness Strategy	34,780	7,197	7,661	464	G
IMPGR	Improvement Grants	27,580	-2,720	-318	2,402	A
HOMEE	Home Energy Conservation	13,720	252	0	-252	G
SHARE	Shared Ownership Rents	-610	-398	-1,191	-793	G
HSTRA	Housing Strategy	55,160	6,022	2,803	-3,219	A
Total:		834,360	-240,066	-294,050	-53,984	
Transfers to/(from) Earmarked Reserves						
HGBAL/ H275	Clean Air Reserve	-480	0	-480	-480	
HGBAL/ H339	Government Housing Grants Reserve	0	0	-2,872	-2,872	
HGBAL/ H371	Repossession Prevention Fund Reserve	0	0	-5,000	-5,000	
Total after transfers to/(from) Earmarked Reserves		833,880	-240,066	-302,402	-62,336	

2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are potential areas of high concern and green variances are areas which currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

2.3 The main variances between budget and actuals on individual budget codes within cost centres have also been highlighted and explained as follows:

- Red budget code variances are shown with the budget holder's comments and agreed actions in Annex 1.
- Amber budget code variances are shown with the budget holder's comments in Annex 2.

2.4 The main reason for the £53,984 underspend to the end of July 2015 is a net underspend of £43,714 on Housing Benefits rent allowance payments and subsidy grant income. This is because rent allowance claimant caseload for April to July 2015 was lower than forecast in the 2015/16 subsidy initial estimate, which was prepared in February 2015. Rent allowance payments to date reflect the lower caseload, but subsidy grant received to date is still based on the initial estimate. Across the full year, rent allowance subsidy income mirrors rent allowance payments made, subject to any benefits overpayments adjustments. Therefore, no significant underspend is expected at year-end.

3 CONCLUSION

3.1 The comparison between actual and budgeted expenditure on the Health and Housing Committee shows an underspend of £54,000, as at the end of July 2015. After allowing for transfers to and from earmarked reserves, the underspend is increased to £62,300.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH9-15/AC/AC
24 August 2015

BACKGROUND PAPERS: None

For further information please ask for Andrew Cook

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/4652	Housing Benefits/Rent Allowance Payments	7,491,770	2,322,031	2,261,774	-60,257	Rent Allowance payments are lower than budgeted due to lower caseload than anticipated at Original Estimate. This will be reflected in less Rent Allowance subsidy grant income at year-end, as expenditure is funded by subsidy received	Budget to be amended at Revised Estimate, in line with the Mid-Year Estimate claim prepared for DWP grant purposes.
HGBEN/2998	Housing Benefits/Software Maintenance	6,590	6,590	11,811	5,221	Northgate licensing and support 2015/16 costs have been allocated differently across budgets than anticipated at Original Estimate stage. This has led to £5,210 extra being charged to Housing Benefits administration.	Budgets will be corrected at Revised Estimate in order to reflect the new allocations.
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-7,525,170	-2,401,551	-2,385,008	16,543	Rent Allowance grant subsidy income is lower than anticipated when the Original Estimate budget was prepared. The reduced income is in line with estimates prepared for 2015/16 DWP Initial Estimate grant purposes.	Budget to be amended at Revised Estimate, in line with the Mid-Year Estimate claim prepared for DWP grant purposes.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	Reason for Variance
UCRED/ 8655n	Universal Credit/DWP - Universal Credits Service Income	0	0	-4,947	-4,947	This is the first quarter's income for the Universal Credit Service delivered to Ribble Valley residents on behalf of the DWP. Total income for 2015/16 is estimated at £19,788. This income was not anticipated at Original Estimate stage. The budget will be updated at Revised Estimate for this.
HGBEN/ 8029z	Housing Benefits/DWP- Housing Benefits New Burden Grant	0	0	-3,827	-3,827	This is an additional grant received in-year, that was not anticipated at Original Estimate. One-off new burdens expenditure can be made against this grant income. The budget will be updated at Revised Estimate stage to reflect this income and associated expenditure.
HSTRA/ 8645z	Housing Strategy/DCLG - Implementing Right to Move	0	0	-3,044	-3,044	An additional grant received in-year, that was not anticipated at Original Estimate. It is to help councils to set aside a proportion of lets for cross-boundary moves (Right to Move quota). Expenditure will take place in-year with Ribble Valley Homes, as they manage the Council's housing register. Income and expenditure budgets will be updated at Revised Estimate.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	Reason for Variance
CTBEN/ 2809	Localised Council Tax Support Admin/Non Recurring Purchases of Equipment etc	11,230	2,846	0	-2,846	This budget is for expenditure in-year to help the Council deal with new burdens placed on it by administering the Localised Council Tax Support scheme. To date, the Council has not had any in-year new burdens spending requirements.
HGBEN/ 2809	Housing Benefits/Non Recurring Purchases of Equipment etc	6,500	2,168	0	-2,168	This budget is for expenditure in-year to help the Council deal with new burdens placed on it by the changes made to the benefits and welfare system, including expenditure related to the new Fraud and Error reduction scheme (FERIS). To date, the Council has not had any in-year new burdens spending requirements and has spent less to date on FERIS work than originally planned. More additional staff time is planned for FERIS work, as the year progresses.
CLCEM/ 8447u	Clitheroe Cemetery/Exclusive Burial Rights	-17,300	-5,768	-7,898	-2,130	Elevated income for the year to date based on additional demand for the plots in the new extension and income from some non-RVBC residents. Some of this income is being set aside to fund the headstone foundation beams additional capital work in-year.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	Reason for Variance
CLMKT/ 2402	Clitheroe Market/Repair & Maintenance - Buildings	13,340	2,351	4,665	2,314	Expenditure has been focussed earlier in the year, when compared to the budget profile. The main areas of early year work were: - Routine and statutory work such as electrical tests, including follow up remedial work, and door testing on all market cabins. - Repairs on the market café. Less spend is likely for the rest of the year, given the earlier work on essential testing and remedial repairs.
AWARM /4676	Affordable Warmth/Grants to Individuals	0	0	2,337	2,337	Affordable warmth boiler replacement grants, carpet grants and emergency fuel top-up assistance provided to eligible residents in Ribble Valley. The expenditure is covered by Lancashire County Council grant funding held in the Government Housing Grants earmarked reserve. The funds in reserve will be reflected in this budget at Revised Estimate.
HOMES /4676	Homelessness Strategy/Grants to Individuals	5,370	1,792	5,000	3,208	This is mainly due to a repossession prevention payment of £5,000 to prevent homelessness. This expenditure is covered by DCLG grant funding held in the Repossession Prevention Fund earmarked reserve. The funds in reserve will be reflected in this budget at Revised Estimate.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	Reason for Variance
CLCEM/ 2402	Clitheroe Cemetery/Repair & Maintenance - Buildings	9,250	3,084	6,236	3,152	This is mainly due to significant work totalling £2,583, on the Cemetery house and on St Mary's churchyard, that was not anticipated at Original Estimate stage. Only essential repairs and maintenance expenditure will be undertaken for the rest of the year and the impact of the significant additional spend to date will be considered at Revised Estimate stage.
CTBEN/ 2998	Localised Council Tax Support Admin/Software Maintenance	6,590	6,590	11,586	4,996	Northgate licensing and support 2015/16 costs have been allocated differently across budgets than anticipated at Original Estimate stage. This has led to £5,210 extra being charged to Localised Council Tax Support administration. Budgets will be corrected at Revised Estimate in order to reflect the new allocations.