

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 8

meeting date: 13 SEPTEMBER 2018  
 title: REVENUE OUTTURN 2017/18  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: ANDREW COOK

## 1 PURPOSE

1.1 To report the revenue budget outturn 2017/18 for this Committee.

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 meets the objective within this priority, of maintaining critical financial management controls, ensuring the authority provides council tax payers with value for money’.
- Other Considerations – none identified.

## 2 BACKGROUND

2.1 Our full Statement of Accounts was signed off for audit by the Director of Resources on 31 May 2018 and that audit has now been completed.

2.2 The 2017/18 financial year was the first where we are required to meet the new deadlines for release of our Statement of Accounts for external audit by the 31 May and approval following audit by 31 July. We also matched these new deadlines in last year's closedown process in preparation for this year's new requirements.

2.3 Our final audited Statement of Accounts was approved by Accounts and Audit Committee at their meeting on 25 July 2018.

## 3 REVENUE OUTTURN 2017/18

3.1 Shown below, by cost centre, is a comparison of the 2017/18 actual outturn with the revised estimate budget for this Committee. You will see an overall underspend of **£44,108** on the net cost of services. After transfers to and from earmarked reserves, the overall underspend is **£41,030**. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate 2017/18 £	Actual 2017/18 £	Variance £	Associated Earmarked Reserves Variance £	Net Variance £
APLAC	Alma Place Unit	2,780	2,758	-22	-1	-23
AWARM	Affordable Warmth	800	547	-253	253	0
CLAIR	Clean Air	2,860	2,598	-262	0	-262
CLAND	Contaminated Land	8,370	8,333	-37	0	-37

Cost Centre	Cost Centre Name	Revised Estimate 2017/18 £	Actual 2017/18 £	Variance £	Associated Earmarked Reserves Variance £	Net Variance £
CLCEM	Clitheroe Cemetery	53,310	41,867	-11,443	0	-11,443
CLMKT	Clitheroe Market	-51,150	-53,649	-2,499	0	-2,499
CMGHH	Community Groups – Health & Housing	39,570	39,208	-362	0	-362
COMNL	Common Land	2,410	1,798	-612	0	-612
CTBEN	Localised Council Tax Support Admin	95,140	90,662	-4,478	0	-4,478
DOGWD	Dog Warden & Pest Control	86,040	84,137	-1,903	0	-1,903
ENVHT	Environmental Health Services	293,630	287,953	-5,677	0	-5,677
HGBEN	Housing Benefits	92,670	86,808	-5,862	0	-5,862
HOMEE	Home Energy Conservation	11,320	11,216	-104	0	-104
HOMES	Homelessness Strategy	60,090	58,231	-1,859	2,821	962
HSASS	Housing Associations	6,360	6,416	56	0	56
HSTRA	Housing Strategy	41,900	40,857	-1,043	0	-1,043
IMPGR	Improvement Grants	82,440	75,290	-7,150	-3	-7,153
JARMS	Joiners Arms	7,690	5,397	-2,293	3	-2,290
SHARE	Shared Ownership Rents	-1,230	-1,227	3	0	3
SUPPE	Supporting People	-5,040	-5,384	-344	5	-339
UCRED	Universal Credit	7,180	9,216	2,036	0	2,036
<b>NET COST OF SERVICES</b>		<b>837,140</b>	<b>793,032</b>	<b>-44,108</b>	<b>3,078</b>	<b>-41,030</b>

#### 4 EARMARKED RESERVES

4.1 Reserves are important to local authorities as, unlike central government, we cannot borrow money over the medium term, other than for investment in assets, and we are required to balance our budgets on an annual basis.

4.2 Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- A contingency to cushion the impact of unexpected events or emergencies. This also forms part of general reserves.
- A means of building up funds or accounting for funds we are committed to spend or to meet known or predicted requirements.

- 4.3 Our earmarked reserves are accounted for separately but remain legally part of the General Fund.
- 4.4 The table overleaf provides a comparison of the 2017/18 actual movements in earmarked reserves with the movements in earmarked reserves that were planned at revised estimate stage. Full details are provided of the earmarked reserves that have been impacted and the reasons for the variations on the movements in earmarked reserves.

	Revised Estimate 2017/18 £	Actual 2017/18 £	Variance £	Reasons for variations on the Movements in Earmarked Reserves
<b>Committee Net Cost of Services</b>	<b>837,140</b>	<b>793,032</b>	<b>-44,108</b>	
<b>CPBAL/H330 Capital Reserve</b> This is where funds are set aside to fund future capital expenditure.	4,020	4,017	-3	<b>-£3</b> – Actual repayment of Home Improvement Loan to the Council was less than the revised estimate budget, so less was set aside in the Capital Reserve.
<b>HGBAL/H337 Equipment Reserve</b> This is where funds are set aside to fund essential and urgent requirements.	9,550	9,553	3	<b>£3</b> – The Furniture and Equipment Reserve monies received from Ribble Valley Homes and set aside in the Equipment Reserve at year-end were more than budgeted for at revised estimate stage.
<b>HGBAL/H339 Housing Related Grants Reserve</b> This is where housing related grants received but not spent at the end of each financial year are set aside, to then be committed to grant related expenditure in future years.	34,890	37,968	3,078	<b>£2,963</b> – This is mainly due to £2,958 less Flexible Homelessness Support Grant (FHSG) than budgeted for at revised estimate stage being required to be allocated to the Housing Benefits cost centre to cover the loss of DWP Rent Rebate subsidy in relation to Rent Rebates paid at the Council's homelessness unit. Thus, more FHSG was set aside in the Housing Related Grants Reserve at year-end. <b>£253</b> – Less spend in-year than budgeted for at revised estimate stage on Affordable Warmth measures. This spend is funded by amounts previously set aside in the Housing Related Grants Reserve, so less needed transferring from the Reserve in 2017/18. <b>-£138</b> – Less Homelessness Reduction Act funding from MHCLG was set aside in the Housing Related Grants Reserve than estimated at revised estimate stage.
<b>Committee Net Cost of Services After Movements on Earmarked Reserves</b>	<b>885,600</b>	<b>844,570</b>	<b>-41,030</b>	

5 MAIN VARIATIONS 2017/18

5.1 The main income and expenditure variations are explained at Annex 1. However, a summary of the major variations is set out in the table overleaf.

SERVICE AREA	DESCRIPTION OF VARIANCE	AMOUNT £
Various	Less supplies and services expenditure across several Health and Housing Committee cost centres due to control over purchases, with the main areas of reduced spend being purchases of equipment & materials, postages, printing & stationery, software maintenance, publicity and scanning.	-10,575
<b>CLCEM</b> Clitheroe Cemetery	Interments, Exclusive Burial Rights and Commemorative Trees income was higher than budgeted for, due to year-on-year variations plus more land being set aside for commemorative trees.	-7,169
Various	Lower than budgeted support service recharges across most Health and Housing Committee cost centres due to reductions in net expenditure in several support service areas.	-7,089
<b>IMPGR</b> Improvement Grants	Disabled Facilities Grants (DFGs) administration fees income was higher than budgeted for due to the increased numbers and value of DFGs schemes completed in-year, more DFGs being administered in-house than in previous years and the increase from 5% to 10% for the administration fee charged on certain categories of DFGs under the Council's updated DFGs policy.	-6,545
<b>HGBEN</b> Housing Benefits	Unbudgeted non-recurring income received from the DWP for Universal Credit live service closure new burdens and additional Real Time Initiative data matching work, along with unbudgeted income from an administrative penalty charge levied by the Council in relation to a housing benefits overpayments case.	-4,650
<b>JARMS</b> Joiners Arms	Increased dwelling rents income due to occupancy levels at the Joiners Arms (the Council's homelessness unit) being higher than budgeted for and arrears being lower than budgeted for. There have been very few void periods as demand for temporary accommodation remains high.	-3,081

6 CONCLUSION

6.1 There have been a number of variations in both income and expenditure between 2017/18 revised estimate and 2017/18 actual outturn. This has given rise to an overall underspend for this Committee of **£44,108** on the net cost of services. After allowing for transfers to and from earmarked reserves the overall underspend is **£41,030**.

SENIOR ACCOUNTANT

HH7-18/AC/AC

28 August 2018

BACKGROUND PAPERS – None.

For further information please ask for Andrew Cook.

DIRECTOR OF RESOURCES

**HEALTH AND HOUSING COMMITTEE  
MAIN VARIANCES 2017/18**

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>CLCEM: Clitheroe Cemetery</b>						
<b>Purchase of Equipment and Materials</b> - Planned purchase of safety bollards at year-end did not happen because supplier could not supply until April 2018 plus less expenditure than planned in-year on shoring equipment.	-1,065			-1,065		-1,065
<b>Grounds Maintenance</b> - Reduced hours input at Clitheroe Cemetery from the Grounds Maintenance team than budgeted for at revised estimate.	-1,614			-1,614		-1,614
<b>Other expenditure</b> - Reduced repairs expenditure in-year (-£707) and reduced metered water cost due to a refund from the water supplier at year-end (-£786).	-1,493			-1,493		-1,493
<b>Interment Fees income</b> - Higher income due to year-on-year variations in interments.		-2,330		-2,330		-2,330
<b>Exclusive Burial Rights income</b> - Higher income due to year-on-year variations in interments and more plot reservations than expected.		-3,489		-3,489		-3,489
<b>Commemorative Trees income</b> - Higher income due to greater demand in the second part of 2017/18 than anticipated and more land being set aside for commemorative trees.		-1,350		-1,350		-1,350
<b>Total Clitheroe Cemetery</b>	<b>-4,172</b>	<b>-7,169</b>	<b>0</b>	<b>-11,341</b>	<b>0</b>	<b>-11,341</b>

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>CLMKT: Clitheroe Market</b>						
<b>Other expenditure variances</b> - Lower electricity costs than anticipated at revised estimate (-£905) and less special events markets publicity spend than anticipated (-£871).	-1,776			-1,776		-1,776
<b>Total Clitheroe Market</b>	-1,776	0	0	-1,776	0	-1,776
<b>CTBEN: Localised Council Tax Support Admin</b>						
<b>Supplies and Services expenditure</b> - Underspend from control of spending across several budgets, such as postages, software maintenance and printing & stationery.	-2,482			-2,482		-2,482
<b>Council Tax Rebates</b> - Following the introduction of Local Council Tax Support in 2013/14, the Council is still required to make some payments of Council Tax benefit. This expenditure would previously have been fully reimbursed by central government. However, it is now a cost that has to be borne by the Council. The actual payments made in-year were higher than budgeted for.	1,786			1,786		1,786
<b>Overpayments of Council Tax Benefits income</b> - 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 the budget set for this income.		-2,036		-2,036		-2,036
<b>Resources - Revenue Services recharge</b> - Lower support service recharge from Revenue Services mainly due to a reduction in net expenditure in that department.			-1,407	-1,407		-1,407
<b>Total Localised Council Tax Support Admin</b>	-696	-2,036	-1,407	-4,139	0	-4,139

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>DOGWD: Dog Warden &amp; Pest Control</b>						
<b>Premises and Supplies and Services expenditure</b> – Underspend from control of spending across several budgets, such as repairs (reduced spend on pest control store upgrade), works administration on-costs (less need for dog bin emptying by the works administration team) and baits & poisons (less purchases).	-1,561			-1,561		-1,561
<b>Total Dog Warden &amp; Pest Control</b>	<b>-1,561</b>	<b>0</b>	<b>0</b>	<b>-1,561</b>	<b>0</b>	<b>-1,561</b>
<b>ENVHT: Environmental Health Services</b>						
<b>Supplies and Services expenditure</b> - Underspend across several budgets, the main ones being less printing & stationery costs (due to a switch of printer in-year) and less nuisance/illegal tipping related costs.	-907			-907		-907
<b>Street Trading Licence income</b> - More Street Trading licences issued in-year than anticipated at revised estimate budget stage.		-1,678		-1,678		-1,678
<b>Chief Executive service recharge</b> – Lower support service recharge from the Chief Executive’s department mainly due to a reduction in net expenditure in that department.			-2,606	-2,606		-2,606
<b>Total Environmental Health Services</b>	<b>-907</b>	<b>-1,678</b>	<b>-2,606</b>	<b>-5,191</b>	<b>0</b>	<b>-5,191</b>

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>HGBEN: Housing Benefits</b>						
<b>Rent Allowance payments</b> - Rent Allowance payments were lower than budgeted for, after adjusting for recovery of housing benefits overpayments and non-cash transactions in-year. The revised estimate anticipated a slight increase in payments for the year as a whole, but actual payments were lower than this - actual expenditure was 1.2% less than the £6.7m budgeted for.	-81,120			-81,120		-81,120
<b>Rent Allowance Grant income</b> - Less Housing Benefits subsidy grant received than budgeted for, to reflect less Rent Allowances paid out in-year (see above) – actual income was 1.3% less than the £6.7m budgeted for.		84,517		84,517		84,517
<b>Rent Rebate payments</b> – More Rent Rebates paid out, due to higher Rent Rebate related occupancy at the Council's homelessness unit than budgeted for.	1,491			1,491		1,491
<b>Rent Rebate Grant income</b> - More Housing Benefits subsidy grant received than budgeted for, to reflect higher Rent Rebates paid out in relation to the Council's homelessness unit (see above), plus in-year re-classification of the non-self contained units at the homelessness unit to "Hostel" status, which meant the full Rent Rebate paid on behalf of claimants in those units can be claimed in full from the DWP.		-4,518		-4,518		-4,518
<b>MHCLG Flexible Homelessness Support Grant (FHSG) income</b> – This grant partly provides funding to cover DWP subsidy grant income lost because Council's can no longer claim a £60 weekly management fee for non-self contained units in temporary accommodation. In practice in 2017/18, the Council lost £2,958 less subsidy income in this area than originally planned because of the in-year re-classification of the non-self contained units at the homelessness unit to "Hostel" status (see above). Thus, £2,958 less FHSG grant was required to be allocated to this budget because of the lower in-year subsidy loss.		2,958		2,958		2,958



	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>Non-Recurring Purchases</b> - An unbudgeted payment for revenue system updates to support local authority IT data sharing with the DWP. It was requested by and funded by the DWP in-year (see below).	2,439			2,439		2,439
<b>DWP - LA Data Sharing IT income</b> - Unbudgeted income received from the DWP to fund the payment for revenue system updates to support local authority IT data sharing with the DWP (see above).		-2,439		-2,439		-2,439
<b>Other DWP new burdens funding</b> - Other funding received from the DWP that the Council was not aware of at revised estimate budget stage, this being Real Time Initiative data matching funding (-£719) and Universal Credit live service closure impact funding (-£2,025).		-2,744		-2,744		-2,744
<b>Admin Charge income</b> - One-off income from an administration penalty in relation to a HB overpayment		-1,906		-1,906		-1,906
<b>Supplies and Services expenditure</b> - Underspend from control of spending across several budgets, such as postages, software maintenance and printing & stationery.	-2,452			-2,452		-2,452
<b>Resources - Revenue Services recharge</b> - Lower support service recharge from Revenue Services mainly due to a reduction in net expenditure in that department.			-1,407	-1,407		-1,407
<b>Total Housing Benefits</b>	<b>-79,642</b>	<b>75,868</b>	<b>-1,407</b>	<b>-5,181</b>	<b>0</b>	<b>-5,181</b>
<b>HOMES: Homelessness Strategy</b>						
<b>Rent of Buildings</b> - Mainly due to two longer term placements in external temporary accommodation, rather than the Council's homelessness unit. This was due to an increase in homelessness cases post-Christmas and the specific nature of those cases.	2,620			2,620		2,620

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>Grants to Individuals</b> - Use of Tenancy Protection Fund, Homelessness Assistance and other payments to help people secure private sector tenancies was less than budgeted for. In addition, there have been a number of repayment invoices raised to recover some of the payments made and this has reduced net expenditure in-year.	-1,117			-1,117		-1,117
<b>Non-Recurring Purchases</b> - The revised estimate budget planned for IT, training and administration costs to prepare for the implementation of the Homelessness Reduction Act from April 2018, funded by grant funding from MHCLG (see below). In practice, only training costs were incurred in 2017/18.	-4,356			-4,356		-4,356
<b>MHCLG Homelessness Reduction Act Funding</b> - Based on funding received and allocation information from the MHCLG in late 2017, £18,190 of additional Homelessness Reduction Act and Preventing Homelessness new burdens funding was budgeted for. The final allocations received in 2017/18 were £13,696 for Homelessness Reduction Act new burdens only.		4,494		4,494		4,494
<b>MHCLG Flexible Homelessness Support Grant (FHSG)</b> - £9,388 of the Flexible Homelessness Support Grant received in 2017/18 was unspent at year-end, compared to the £6,430 budgeted for. This is because, in practice in 2017/18, the Council lost less DWP subsidy grant income than originally planned because of the in-year re-classification of the non-self contained units at the Council's homelessness unit to "Hostel" status (see Housing Benefits above). Thus, £2,958 less FHSG funding was required to be transferred from the Homelessness Strategy cost centre to the Housing Benefits cost centre in 2017/18 than budgeted for. Consequently, £2,958 more FHSG has been set aside in the Housing Related Grants Reserve at year-end than originally budgeted for.		-2,958		-2,958	2,958	0
<b>Total Homelessness Strategy</b>	<b>-2,853</b>	<b>1,536</b>	<b>0</b>	<b>-1,317</b>	<b>2,958</b>	<b>1,641</b>

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>IMPGR: Improvement Grants</b>						
<b>Disabled Facilities Grants (DFGs) Administration Fees income</b> - This is due to the increased numbers and value of grant schemes completed in-year, more grants being administered in-house than in previous years and the increase from 5% to 10% for the administration fee charged on certain categories of grants under the Council's updated DFGs policy.		-6,545		-6,545		-6,545
<b>Total Improvement Grants</b>	0	-6,545	0	-6,545	0	-6,545
<b>JARMS: Joiners Arms</b>						
<b>Repairs &amp; Maintenance On-costed Wages</b> - The budget included an allowance for works administration staff overtime to cover cleaning duties whilst the scheme warden post was vacant. In practice, there were no costs required because the post was vacant for a shorter period of time than planned and other staff covered the cleaning duties alongside other roles.	-2,520			-2,520		-2,520
<b>Repairs &amp; Maintenance - Buildings</b> - More repairs costs required in-year than budgeted for at revised estimate, including toilet/cistern repair, painting works and audio system wiring.	1,357			1,357		1,357
<b>Electricity</b> - Higher electricity costs in-year than budgeted for. This may be partly due to the colder winter in 2017/18 than recent years and higher occupancy levels at the Joiners Arms than originally planned for - note, this is partly offset by higher electric card income of £722 from tenants in-year than budgeted for.	2,057			2,057		2,057

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
<b>Dwelling Rents income</b> - Occupancy levels at Joiners Arms have been higher than budgeted for and arrears have been lower than budgeted for. There have been very few void periods as demand for temporary accommodation remains high.		-3,081		-3,081		-3,081
<b>Total Joiners Arms</b>	894	-3,081	0	-2,187	0	-2,187
<b>UCRED: Universal Credit</b>						
<b>Resources - Revenue Services</b> - The Benefits Control and Liaison Officer is allocated 50% of their time for Universal Credit work. The actual recharge costs for this input, including on-costs, were higher than budgeted for.			2,082	2,082		2,082
<b>Total Universal Credit</b>	0	0	2,082	2,082	0	2,082
<b>Other variances</b>	-2,935	-266	-3,751	-6,952	120	-6,832
<b>Total Variances for Health and Housing Committee</b>	-93,648	56,629	-7,089	-44,108	3,078	-41,030