

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO HEALTH AND HOUSING COMMITTEE

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Agenda Item No 7

meeting date: 17 JANUARY 2019  
title: ORIGINAL REVENUE BUDGET 2019/20  
submitted by: DIRECTOR OF RESOURCES  
principal author: ANDREW COOK

### 1 PURPOSE

- 1.1 To agree the draft revenue budget for 2019/20, for consideration at Special Policy and Finance Committee.

### 2 BACKGROUND - COUNCIL'S OVERALL FINANCIAL POSITION

- 2.1 In September we updated the Council's four year Budget Forecast which predicted budget gaps as follows: £101k in 2019/20, £225k in 2020/21, £426k in 2021/22.
- 2.2 2019/20 is the final year of the multi-year grant settlement which we signed up to and as such we would not expect our allocations to change from those previously announced. You may recall we were anticipating negative Revenue Support Grant (RSG) for 2019/20 of £108,866.
- 2.3 In October the Government consulted on proposals to eliminate negative RSG. We were advised at the same time that the New Homes Bonus (NHB) threshold may increase from its current national level of 0.4% which would reduce the amount of NHB we would receive.
- 2.4 In addition this Council along with 14 other authorities in Lancashire submitted a bid to be a Pilot for 75% Business Rate Retention.
- 2.5 None of these potential changes were included in the September budget forecast.

### 3 2019/20 PROVISIONAL LOCAL GOVERNMENT SETTLEMENT

- 3.1 On 13 December 2018 the Government announced the provisional finance settlement. The announcement had been delayed by a week due to the BREXIT debate.
- 3.2 The headlines for Ribble Valley are:
- Negative RSG has been eliminated gaining us £109k.
  - Rural Services Delivery Grant has been increased back to the same level as 2018/19 gaining us £21k.
  - NHB threshold remains at 0.4%.

- Our Business Rates Pilot bid has been successful. How much we gain from this will depend on our actual Business Rate growth in 2019/20 but estimates suggest this could be in the region of £400k. Some of this will be set aside to fund losses and also to fund Lancashire wide strategic economic growth projects.
- The Government are returning to local authorities the levy account surplus. Ribble Valley will gain by £20k.

3.3 The Government also announced consultations on the future of Business Rate Retention and the Fair Funding Review which may have a significant impact on our financial position beyond 2019/20. These will be considered by the Budget Working Group.

3.4 In summary the 2019/20 provisional settlement has improved the council's financial position compared with the budget forecast in September.

#### 4 BUDGET PROCESS

4.1 Presented to committee for decision in November were the proposed fees and charges for 2019/20. The consequential impact of these approved fees and charges have been incorporated in to the service budgets shown within this report.

4.2 Following a great deal of in-depth service analysis and meetings with regard to this committee's budgets by the council's accountants, budget holders, heads of service and management team, a proposed draft budget is now presented to members. This budget is agreed as that which best reflects the services of this committee for the next financial year.

4.3 When all committees have approved their detailed estimates the overall position will be considered by Budget Working Group.

4.4 The Budget Working Group will then make recommendations in order to produce a balanced budget for consideration at the Special meeting of Policy and Finance Committee. The final budget report will then be presented to Full Council, at which point the Council Tax for 2019/20 will also be approved.

#### 5 2019/20 DRAFT REVENUE BUDGET

5.1 As far as your budget is concerned, the estimates have been prepared on the current levels of service, and they allow for pay increases at 3% and price increases at 2%.

5.2 Within this report the budgets are shown in the same manner in which they are reviewed. Each cost centre within the report is shown individually. Behind each cost centre is a great deal more subjective level detailed budgets, but for the purposes of this report they are summarised in to the standard local government CIPFA Service Reporting Code of Practice basis:

- **Employee Related:** this group includes the cost of employees, both direct and indirect to the council.

- **Premises Related:** this group includes expenses directly related to the running of premises and land.
- **Transport Related:** this group includes all costs associated with the provision, hire or use of transport, including travelling allowances.
- **Supplies and Services:** this group includes all direct supplies and service expenses to the council.
- **Third Party Payments:** a third party payment is a payment to an external provider which is operating independently, in return for the provision of a service.
- **Transfer Payments:** this includes the cost of payments to individuals or organisations for which no goods or services are received in return by the local authority. A key item here would be the payment of housing benefits.
- **Support Services:** charges for services that support the provision of services to the public. At this council the main support service cost is the support from staff based at the council offices building and the building's associated cost.
- **Depreciation and Impairment:** this is the revenue impact of capital items shown in the service revenue accounts of the council.
- **Income:** this includes income from fees and charges, grants, donations and contributions. Also shown here is the associated 'income' to a support service from the redistribution of its costs to those providing services to the public.

5.3 As you will see, the draft proposed budget for 2019/20 for each service area is also built up looking at a number of stages. The starting point is the base budget, being the Original Estimate for the current financial year. A summary of the various elements is given below:

- **Original Estimate 2018/19:** This represents the base budget for the council and assumes no change in service level from that set for the previous year's original estimate.
- **Savings:** Here any savings or additional income that is identified from past service experience or trends would be brought in to the budget to adjust the base budget.
- **Inflation at 3% Pay and 2% Other:** The budget forecast allows for inflation on pay at 3% and prices at 2% (with some exceptions such as grants). This is where that general allowance for inflation is brought in to the individual budget areas. This is the second year of a two year pay award that has already been settled.
- **Variation to Standard Budgeted Inflation %:** Inevitably, as we undertake detailed work on the budget it becomes evident that there are some items of income or spend that experience a greater or lower level of inflation. This is where we adjusted for those differing levels of inflation. An example is energy costs.
- **Unavoidable Changes to Service Costs:** This relates to changes to a service, for example where costs are demand driven.
- **Support Services:** Any changes that relate to the recharging of support service costs are included in this column.
- **Capital:** Any changes relating to depreciation and impairment are included in this column.

- **DRAFT Original Estimate 2019/20:** The final column is the total of all preceding columns and is constructed from the base budget and any necessary changes to the base that are needed. If approved this will then form the base budget in next year's budget process.

5.4 Detailed in the following section of the report are the individual budget areas under this committee. Shown are the movements from the 2018/19 Original Estimate, to the DRAFT Original Estimate for 2019/20. Comments are also provided on the main variances.

6 COMMITTEE SERVICE ESTIMATES

6.1 **Cost Centre and Description** APLAC: Alma Place Unit

A one-bedroom property providing move-on accommodation for people previously supported in other homelessness accommodation.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Premises Related Expenditure	1,700		20		250			1,970
Supplies & Services	580		10					590
Support Services	700		0			300		1,000
Depreciation and Impairment	530		0				670	1,200
<b>Total Expenditure</b>	<b>3,510</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>250</b>	<b>300</b>	<b>670</b>	<b>4,760</b>
Customer & Client Receipts	-2,830		-60	60	-110			-2,940
<b>Total Income</b>	<b>-2,830</b>	<b>0</b>	<b>-60</b>	<b>60</b>	<b>-110</b>	<b>0</b>	<b>0</b>	<b>-2,940</b>
<b>Net Expenditure</b>	<b>680</b>	<b>0</b>	<b>-30</b>	<b>60</b>	<b>140</b>	<b>300</b>	<b>670</b>	<b>1,820</b>

6.2 **Cost Centre and Description**      AWARM: Affordable Warmth

Services available to help vulnerable residents stay warm in winter – the services available are dependent on grant provided by Lancashire County Council.

Note - This is an estimate of affordable warmth grant funding that will be unspent at the end of 2018/19 and will be rolled forward into 2019/20 to be spent on services such as home safety/energy efficiency checks and fuel top up grants.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Third Party Payments</b>	600		10		-510			100
<b>Transfer Payments</b>	150		0					150
<b>Total Expenditure</b>	<b>750</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>-510</b>	<b>0</b>	<b>0</b>	<b>250</b>
<b>Net Expenditure</b>	<b>750</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>-510</b>	<b>0</b>	<b>0</b>	<b>250</b>
<b>Associated Movement in Earmarked Reserves</b>	-750		-20		520			-250
<b>Net After Earmarked Reserves</b>	<b>0</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>

6.3 **Cost Centre and Description**      CLAIR: Clean Air

The Council is required to undertake periodic screening and assessments of local air quality. To meet the requirements, the Council undertakes local air quality monitoring, including localised monitoring of NOx on Whalley Road, Clitheroe, associated with traffic congestion.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	1,700	-1,200	10					510
Support Services	1,210		0			110		1,320
<b>Total Expenditure</b>	<b>2,910</b>	<b>-1,200</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>0</b>	<b>1,830</b>
<b>Net Expenditure</b>	<b>2,910</b>	<b>-1,200</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>0</b>	<b>1,830</b>

**CLAIR: Clean Air**

**Commentary on Substantial Budget Changes**

**Supplies & Services - savings, -£1,200**

The main reason is that the annual air quality plan and revocation review is now planned to be undertaken in-house. This will save £1,120 because it was previously undertaken by an external consultant. In addition, there is an estimated £80 saving on NOx tubes purchased.

6.4 **Cost Centre and Description** CLAND: Contaminated Land

The authority has a statutory duty under Part IIA of the Environmental Protection Act 1990 to produce a contaminated land strategy, setting out how it intends to identify and subsequently see remedied any land in its area that is considered to be contaminated.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Support Services	8,460		0			1,600		10,060
<b>Total Expenditure</b>	<b>8,460</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>0</b>	<b>10,060</b>
<b>Net Expenditure</b>	<b>8,460</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>0</b>	<b>10,060</b>

**CLAND: Contaminated Land**

**Commentary on Substantial Budget Changes**

Support Services, +£1,600  
 Increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in the Community Services department.



6.5 **Cost Centre and Description** CLCEM: Clitheroe Cemetery

The Council provides a municipal cemetery service at Clitheroe Cemetery, primarily for the residents of Ribble Valley. This includes traditional burials and interment of ashes, woodland burial and also a remembrance arboretum.

The Council is also responsible for several closed churchyards that have been entrusted to the Council within 12 months of their closure. These are St Bartholomew's at Chipping, St Mary Magdalene's and St James's at Clitheroe and a portion of St Mary's at Gisburn. This includes the grounds maintenance, upkeep of walls, fences, paths and the safety of headstones.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Premises Related Expenditure</b>	65,030		1,310		860	4,850		72,050
<b>Supplies &amp; Services</b>	5,950		120		-1,670			4,400
<b>Support Services</b>	29,750		0			4,250		34,000
<b>Depreciation and Impairment</b>	6,120		0				-840	5,280
<b>Total Expenditure</b>	<b>106,850</b>	<b>0</b>	<b>1,430</b>	<b>0</b>	<b>-810</b>	<b>9,100</b>	<b>-840</b>	<b>115,730</b>
<b>Customer &amp; Client Receipts</b>	-68,800		-1,370	-14,760	2,170			-82,760
<b>Total Income</b>	<b>-68,800</b>	<b>0</b>	<b>-1,370</b>	<b>-14,760</b>	<b>2,170</b>	<b>0</b>	<b>0</b>	<b>-82,760</b>
<b>Net Expenditure</b>	<b>38,050</b>	<b>0</b>	<b>60</b>	<b>-14,760</b>	<b>1,360</b>	<b>9,100</b>	<b>-840</b>	<b>32,970</b>

## **CLCEM: Clitheroe Cemetery**

### **Commentary on Substantial Budget Changes**

#### **Premises Related Expenditure - support services, +£4,850**

Estimated increased recharge costs from the grounds maintenance team.

#### **Supplies & Services - unavoidable changes to service costs, -£1,670**

The main reasons are reduced trees and shrubs purchases of £880, because there is no available space left in the cemetery for commemorative trees, and estimated reduced purchases of cemetery plaques for selling on to the public of £890, based on recent years' purchases trends. In addition, there is a new £100 budget for scanning of cemetery records.

#### **Support Services, +£4,250**

Increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main increase being in the Chief Executive's department.

#### **Customer & Client Receipts - variation to standard budgeted inflation, -£14,760**

An estimated increase in interments, exclusive burial rights and monuments fees income, based on the higher than inflation increases in 2019/20 fees approved by Health and Housing Committee in November 2018.

*Note - The actual impact of the fees increase on the actual numbers of interments, exclusive burial rights and monuments fees may differ in practice to what is estimated here.*

#### **Customer & Client Receipts - unavoidable changes to service costs, +£2,170**

The main reason is a reduction in commemorative trees income of £1,500, because there is no available space left in the cemetery for commemorative trees. In addition, there is a further net reduction in income of £670 as a result of minor changes on other customer & client receipts budgets.

6.6 **Cost Centre and Description** CLMKT: Clitheroe Market

General retail markets are held on three days per week (Tuesday, Thursday and Saturday) with a collectors market held on Friday. Cabins are rented to market traders under contract arrangements. Stalls and pitches are also provided for traders.

Note - The 2019/20 original estimate is based on a normal trading year for the market. This will be re-visited at revised estimate stage for 2019/20.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	2,020		60					2,080
<b>Premises Related Expenditure</b>	32,890		670		-4,880	290		28,970
<b>Supplies &amp; Services</b>	3,120		60					3,180
<b>Support Services</b>	38,460		0			3,860		42,320
<b>Depreciation and Impairment</b>	9,170		0				880	10,050
<b>Total Expenditure</b>	<b>85,660</b>	<b>0</b>	<b>790</b>	<b>0</b>	<b>-4,880</b>	<b>4,150</b>	<b>880</b>	<b>86,600</b>
<b>Customer &amp; Client Receipts</b>	-130,340		-2,610	430	2,450			-130,070
<b>Miscellaneous Recharges</b>	-6,470		0		30			-6,440
<b>Total Income</b>	<b>-136,810</b>	<b>0</b>	<b>-2,610</b>	<b>430</b>	<b>2,480</b>	<b>0</b>	<b>0</b>	<b>-136,510</b>
<b>Net Expenditure</b>	<b>-51,150</b>	<b>0</b>	<b>-1,820</b>	<b>430</b>	<b>-2,400</b>	<b>4,150</b>	<b>880</b>	<b>-49,910</b>

## CLMKT: Clitheroe Market

### Commentary on Substantial Budget Changes

#### **Premises Related Expenditure - unavoidable changes to service costs, -£4,880**

There has been a reallocation of maintenance budgets and also an estimated reduction in business rates of £1,540. In addition, there is a £680 net reduction in costs as a result of minor changes on other premises related budgets. this budget area will be kept under review as the market scheme progresses

#### **Support Services, +£3,860**

Increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main increases being in the Chief Executive's and Resources departments.

#### **Customer & Client Receipts - unavoidable changes to service costs, +£2,450**

The main reason is an estimated reduction in stalls income of £2,560, based on the drop in income to date in 2018/19 continuing in 2019/20. In addition, pitches income is estimated to increase by £110, based on projected income levels for 2019/20 being similar to the trends in recent years.

6.7 **Cost Centre and Description** CMGHH: Community Groups - Health & Housing

The Council's Partnerships and Regeneration teams work with community groups to enable them to:

- work in partnership with other public sector agencies and common interest groups
- gain access to grant funding streams; and
- support vulnerable groups in the borough.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Support Services	46,300		0			-24,410		21,890
<b>Total Expenditure</b>	<b>46,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-24,410</b>	<b>0</b>	<b>21,890</b>
<b>Net Expenditure</b>	<b>46,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-24,410</b>	<b>0</b>	<b>21,890</b>

**CMGHH: Community Groups - Health & Housing**

**Commentary on Substantial Budget Changes**

**Support Services -£24,410**

Reduction following the departmental restructure and the yearly re-assessment of costs, but largely as a result of a decrease in time charged to this service area, with more time being directed toward economic development.

6.8 **Cost Centre and Description**      COMNL: Common Land

The Council has a responsibility for the management of the common land at Salesbury and Copster Green, and an overseeing role regarding common land in general.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Premises Related Expenditure</b>	660		10					670
<b>Support Services</b>	1,760		0			-130		1,630
<b>Total Expenditure</b>	<b>2,420</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>-130</b>	<b>0</b>	<b>2,300</b>
<b>Net Expenditure</b>	<b>2,420</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>-130</b>	<b>0</b>	<b>2,300</b>

6.9 **Cost Centre and Description** CTBEN: Localised Council Tax Support Admin

District councils have a statutory duty to administer claims for Local Council Tax Support and respond to any legacy issues raised regarding Council Tax Benefit. This involves producing forms for the public to complete and then processing them on a bespoke computer system once evidence of all income and savings has been verified. The Council is also required to investigate suspected fraudulent claims.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	270		10					280
<b>Supplies &amp; Services</b>	20,840		410	160	-10			21,400
<b>Support Services</b>	155,140		0			19,260		174,400
<b>Total Expenditure</b>	<b>176,250</b>	<b>0</b>	<b>420</b>	<b>160</b>	<b>-10</b>	<b>19,260</b>	<b>0</b>	<b>196,080</b>
<b>Government Grants</b>	-59,640		0		26,030			-33,610
<b>Total Income</b>	<b>-59,640</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,030</b>	<b>0</b>	<b>0</b>	<b>-33,610</b>
<b>Net Expenditure</b>	<b>116,610</b>	<b>0</b>	<b>420</b>	<b>160</b>	<b>26,020</b>	<b>19,260</b>	<b>0</b>	<b>162,470</b>

## **CTBEN: Localised Council Tax Support Admin**

### **Commentary on Substantial Budget Changes**

#### **Support Services, +£19,260**

Increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in the ICT Services and Resources departments.

#### **Government Grants - unavoidable changes to service costs, +£26,030**

The 2018/19 original estimate budget was based on the Housing Benefits Administration grant income and the Local Council Tax Support Administration grant income (both from central government) being pooled together and then split equally across both the Housing Benefits and Local Council Tax Support cost centres. Going forwards, only the specific administration grant income for Local Council Tax Support Administration will be allocated to the Local Council Tax Support cost centre, so the administration income for this service is matched against the expenditure for this service. This significant estimated income reduction on this cost centre is broadly reflected by a significant income increase on the Housing Benefits cost centre (see HGBEN).

*Note - The actual 2019/20 administration grant allocation from the Ministry for Housing, Communities and Local Government will be confirmed in due course.*



6.10 **Cost Centre and Description**      DOGWD: Dog Warden & Pest Control

A dedicated pest control and dog warden service is provided in the Borough. The pest control service deals with the control and eradication of a range of public health pests in private residential and commercial premises and also the control and eradication of rodents within the public sewer system. The dog warden service deals with dog-related complaints, including stray dogs, dog fouling and noise arising from barking dogs.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Premises Related Expenditure</b>	25,730		510			3,760		30,000
<b>Transport Related Expenditure</b>	4,800		90	-40	-100			4,750
<b>Supplies &amp; Services</b>	4,040		80					4,120
<b>Third Party Payments</b>	4,470		90					4,560
<b>Support Services</b>	75,480		0			15,670		91,150
<b>Depreciation and Impairment</b>	4,270		0				-2,270	2,000
<b>Total Expenditure</b>	<b>118,790</b>	<b>0</b>	<b>770</b>	<b>-40</b>	<b>-100</b>	<b>19,430</b>	<b>-2,270</b>	<b>136,580</b>
<b>Other Grants and Contributions</b>	-2,280		-40		70			-2,250
<b>Customer &amp; Client Receipts</b>	-16,360		-330	90				-16,600
<b>Miscellaneous Recharges</b>	-370		-10					-380
<b>Total Income</b>	<b>-19,010</b>	<b>0</b>	<b>-380</b>	<b>90</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>-19,230</b>
<b>Net Expenditure</b>	<b>99,780</b>	<b>0</b>	<b>390</b>	<b>50</b>	<b>-30</b>	<b>19,430</b>	<b>-2,270</b>	<b>117,350</b>

## **DOGWD: Dog Warden & Pest Control**

### **Commentary on Substantial Budget Changes**

#### **Premises Related Expenditure - support services, +£3,760**

The main reason is the increase in estimated recharge costs from the grounds maintenance team of £3,690. In addition, there is an estimated increase in recharge costs from Salthill Depot of £70.

#### **Support Services, +£15,670**

Increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in the Chief Executive's, Community Services and Resources departments.

#### **Depreciation and Impairment, -£2,270**

The decrease is due to no depreciation charges in 2019/20 for the pest control van. This is because the full capital cost of the van was fully written off by the depreciation charged to this cost centre over five years between 2014/15 and 2018/19 inclusive.

6.11 **Cost Centre and Description** ENVHT: Environmental Health Services

These functions are principally regulatory and consist mainly of staff time spent on food control, health and safety work, nuisance complaint investigation, private water supply regulation, infectious diseases, Local Authority Pollution Prevention Control, associated registration of premises and animal welfare licensing.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Supplies &amp; Services</b>	11,620	-310	240		13,970			25,520
<b>Support Services</b>	319,070		0			30,770		349,840
<b>Total Expenditure</b>	<b>330,690</b>	<b>-310</b>	<b>240</b>	<b>0</b>	<b>13,970</b>	<b>30,770</b>	<b>0</b>	<b>375,360</b>
<b>Customer &amp; Client Receipts</b>	-29,310		-580	220	-15,500			-45,170
<b>Total Income</b>	<b>-29,310</b>	<b>0</b>	<b>-580</b>	<b>220</b>	<b>-15,500</b>	<b>0</b>	<b>0</b>	<b>-45,170</b>
<b>Net Expenditure</b>	<b>301,380</b>	<b>-310</b>	<b>-340</b>	<b>220</b>	<b>-1,530</b>	<b>30,770</b>	<b>0</b>	<b>330,190</b>

## ENVHT: Environmental Health Services

### Commentary on Substantial Budget Changes

#### **Supplies & Services - unavoidable changes to service costs, +£13,970**

The main reason is because the amended private water supply regulations 2018 have increased the number of properties requiring private water samples and increased the lab test parameters and associated costs for each sample undertaken. These increased estimated costs of £13,790 can be recovered by the Council from those responsible for the water supplies sampled, see below. In addition, there is a £180 increase on the purchases budget.

#### **Support Services, +£30,770**

Net increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main increases being in the Chief Executive's and Resources departments.

#### **Customer and Client Receipts - unavoidable changes to service costs, -£15,500**

The main increases are a £16,960 estimated increase in private water sampling charges income as a result of the charges to be levied under the amended private water supply regulations 2018 (see above re increased costs) and a £1,410 estimated reduction in environmental permits registration and subsistence charges as a result of an increase in low risk assessments for companies registered. In addition, there is a £50 net reduction in estimated income as a result of minor changes on other customer and client receipts budgets.

6.12 **Cost Centre and Description** HGBEN: Housing Benefits

District councils have a statutory duty to administer claims for housing benefit. This involves producing forms for the public to complete and then processing them on a bespoke computer system once evidence of all income and savings has been verified.

The Council pays out Housing Benefits to eligible claimants and these payments are reimbursed by subsidy grant received from the DWP.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	270		10					280
<b>Supplies &amp; Services</b>	21,030		420	160	-790			20,820
<b>Transfer Payments</b>	6,333,910		0		-600,220			5,733,690
<b>Support Services</b>	205,750		0			18,970		224,720
<b>Total Expenditure</b>	<b>6,560,960</b>	<b>0</b>	<b>430</b>	<b>160</b>	<b>-601,010</b>	<b>18,970</b>	<b>0</b>	<b>5,979,510</b>
<b>Government Grants</b>	-6,441,870		0		591,820			-5,850,050
<b>Total Income</b>	<b>-6,441,870</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>591,820</b>	<b>0</b>	<b>0</b>	<b>-5,850,050</b>
<b>Net Expenditure</b>	<b>119,090</b>	<b>0</b>	<b>430</b>	<b>160</b>	<b>-9,190</b>	<b>18,970</b>	<b>0</b>	<b>129,460</b>

## HGBEN: Housing Benefits

### Commentary on Substantial Budget Changes

#### **Transfer Payments - unavoidable changes to service costs, -£600,220**

The main reason is a £586,010 estimated reduction in Rent Allowance benefit payments because of the full year impact of all new and change of circumstances working age benefit claims now migrating to Universal Credit in 2019/20. Note - Universal Credit is administered by the DWP rather than the Council. In addition, there is a £3,370 estimated increase in Rent Rebate benefit payments, based on the increased payments estimated to date in 2018/19 continuing in 2019/20, and a £17,580 estimated reduction in discretionary housing payments made, based on the reduction in funding received from the DWP in 2019/20 being similar to the 2018/19 reduction in funding from the DWP (see below).

#### **Support Services, +£18,970**

Net increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main increases being in the ICT Services and Resources departments.

#### **Government Grants - unavoidable changes to service costs, +£591,820**

This is mainly due to a £601,410 estimated reduction in Rent Allowance subsidy from the DWP. Note - This reduction broadly reflects the reduction in Rent Allowance payments estimated for the year (see above), subject to changes in other factors such as the level of benefits overpayments estimated. In addition, there are other budget reduction factors:

- A £17,570 estimated reduction in discretionary housing payments funding from the DWP, based on the reduction in funding received from the DWP in 2019/20 being similar to the 2018/19 reduction in funding from the DWP.
- A £2,100 reduction in real time information data matching funding from the DWP (this funding has ended).
- A £3,810 estimated reduction in the level of Flexible Homelessness Support Grant required to help cover Rent Rebate subsidy not received from the DWP, for rent paid on behalf of temporary accommodation benefit claimants that is above the LHA level.

These reductions are partly offset by the following budget increases:

- A £18,530 increase in the Housing Benefits administration grant funding budget for 2019/20 - The 2019/20 Housing Benefits Administration Grant income allocation of £78,170 from the DWP is a £10,623 reduction (-12%) from the 2018/19 administration grant allocation. However, the administration grant budget for 2019/20 is £18,530 higher than 2018/19 because of the following change in budgeting - the 2018/19 original estimate budget was based on the Housing Benefits administration grant income and the Local Council Tax Support administration grant income (both from central government) being pooled together and then split equally across both the Housing Benefits and Local Council Tax Support cost centres. Going forwards, only the specific administration grant income for Housing Benefits will be allocated to the Housing Benefits cost centre, so the administration income for this service is matched against the expenditure for this service. This significant income increase on this cost centre is broadly reflected by a significant income decrease on the Local Council Tax Support cost centre (see CTBEN).
- A £7,620 estimated increase in Rent Rebate subsidy from the DWP, based on increased Rent Rebate payments (see above).
- A £6,920 increase in DWP new burdens funding for various benefit changes and reforms the Council is required to implement. This includes areas such as discretionary housing payments administration, benefit cap changes and transition to Universal Credit.

6.13 **Cost Centre and Description**      HOME: Home Energy Conservation

The service provides advice to households as to how to improve the energy efficiency of their home and reduce CO2 emissions as well as aiming to raise the profile of renewable energy sources and their benefits, particularly in new build developments.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Supplies & Services	410		10					420
Support Services	13,310		0			-8,750		4,560
<b>Total Expenditure</b>	<b>13,720</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>-8,750</b>	<b>0</b>	<b>4,980</b>
<b>Net Expenditure</b>	<b>13,720</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>-8,750</b>	<b>0</b>	<b>4,980</b>

**HOME: Home Energy Conservation**

**Commentary on Substantial Budget Changes**

**Support Services, -£8,750**

Reduction following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main decreases being in the Chief Executive's and Economic Development and Planning departments.

6.14 **Cost Centre and Description** HOMES: Homelessness Strategy

This service includes:

- Homelessness prevention work, which includes provision of the tenancy protection scheme, referrals to floating support and mediation.
- Development of the Homelessness Strategy, maintaining the Homelessness Forum and achievements towards the homelessness action plan.
- The housing needs service, which provides advice and assistance to households that are facing homelessness. It is often appropriate for home visits to be made to undertake the initial interview.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	210		0					210
Premises Related Expenditure	3,160		60		7,200			10,420
Transport Related Expenditure	100		0					100
Supplies & Services	37,820		760		-28,860			9,720
Third Party Payments	7,700	-2,160	110		-5,650			0
Transfer Payments	3,110		60		5,650			8,820
Support Services	63,900		0			1,290		65,190
<b>Total Expenditure</b>	<b>116,000</b>	<b>-2,160</b>	<b>990</b>	<b>0</b>	<b>-21,660</b>	<b>1,290</b>	<b>0</b>	<b>94,460</b>
Government Grants	-34,370		0		-4,990			-39,360
<b>Total Income</b>	<b>-34,370</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,990</b>	<b>0</b>	<b>0</b>	<b>-39,360</b>
<b>Net Expenditure</b>	<b>81,630</b>	<b>-2,160</b>	<b>990</b>	<b>0</b>	<b>-26,650</b>	<b>1,290</b>	<b>0</b>	<b>55,100</b>
Associated Movement in Earmarked Reserves	0		0		25,860			25,860
<b>Net After Earmarked Reserves</b>	<b>81,630</b>	<b>-2,160</b>	<b>990</b>	<b>0</b>	<b>-790</b>	<b>1,290</b>	<b>0</b>	<b>80,960</b>



## **HOMES: Homelessness Strategy**

### **Commentary on Substantial Budget Changes**

#### **Premises Related Expenditure - unavoidable changes to service costs, +£7,200**

Significant estimated increase in temporary accommodation costs for 2019/20, based on the increase in costs in the twelve months to November 2018 as a result of an increase in the number and complexity of homelessness cases and the additional requirements under the new Homelessness Reduction Act. Increased 2019/20 costs will be funded by the Flexible Homelessness Support Grant (see below).

#### **Supplies & Services - unavoidable changes to service costs, -£28,860**

The main reason is a £35,060 reduction in non-recurring purchases, due to a non-recurring purchases budget being set up for purchases arising from receipt of Flexible Homelessness Support Grant and Homelessness Reduction Act funding in 2018/19. For 2019/20 though, all in-year spend is now allocated to specific codes. In addition, there is a £6,200 increase in software maintenance costs, mainly due to the cost of the new database acquired to comply with the requirements of the Homelessness Reduction Act costing more than the previous database used. Additional costs for the new database are funded from Homelessness Reduction Act funding received in both 2019/20 and previous years (see below).

#### **Third Party Payments - savings and unavoidable changes to service costs, -£7,810**

The £2,160 saving is due to the Council's yearly contribution to the Pennine Lancashire Mental Health and Housing Project no longer being required because the project ended in 2018/19. In addition, a £5,650 reduction is due to the transfer of the home improvement agency budget from this third party payments budget to the transfer payments grants budget (see below), because the home improvement agency annual payment is now provided in the form of grant funding rather than under a service level agreement.

#### **Transfer Payments - unavoidable changes to service costs, +£5,650**

This is the transfer of the home improvement agency budget to this transfer payments grants budget from the third party payments budget (see above), because the annual payment is now provided in the form of grant funding rather than under a service level agreement.

#### **Support Services, +£1,290**

A net increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main increases being in the Economic Development and Planning and Resources departments.

#### **Government Grants - unavoidable changes to service costs, -£4,990**

This is due to estimated higher amounts of yearly grant funding from MHCLG being allocated to Homelessness Strategy in 2019/20 than 2018/19, these being a £3,810 increase in Flexible Homelessness Support Grant and a £1,180 increase in Homelessness Reduction Act funding.

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**Associated Movement in Earmarked Reserves, +£25,860**

This is mainly due to the transfer of estimated unspent Flexible Homelessness Support Grant to earmarked reserves at year-end, with £16,250 set aside in the Housing Related Grants reserve to fund expenditure to prevent and deal with homelessness in future years and £10,610 set aside in the Capital reserve to fund the Joiners Arms Roof Renewal capital scheme. Set against this is a transfer of £1,000 from the Housing Related Grants reserve in-year to help fund homelessness database expenditure in 2019/20.

6.15 **Cost Centre and Description** HSASS: Housing Associations

Enabling the delivery of affordable housing, working in partnership with Registered Housing Providers to identify potential sites and support bids to assist delivery.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Support Services</b>	6,330		0			-120		6,210
<b>Total Expenditure</b>	<b>6,330</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-120</b>	<b>0</b>	<b>6,210</b>
<b>Net Expenditure</b>	<b>6,330</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-120</b>	<b>0</b>	<b>6,210</b>

6.16 **Cost Centre and Description** HSTRA: Housing Strategy

The Strategic Housing Service addresses the housing needs in the borough through partnership working with Registered Housing Providers, support providers and Community Groups. A housing forum is held twice a year to update stakeholders on housing strategy progress and key issues.

The Housing service also maintains a self build and custom house register and liaises with the Planning department regarding suitable development advice and permissions for custom and self build properties.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Supplies &amp; Services</b>	350		0					350
<b>Third Party Payments</b>	5,780		120	110	40			6,050
<b>Support Services</b>	37,280		0			5,390		42,670
<b>Total Expenditure</b>	<b>43,410</b>	<b>0</b>	<b>120</b>	<b>110</b>	<b>40</b>	<b>5,390</b>	<b>0</b>	<b>49,070</b>
<b>Government Grants</b>	0		0		-15,000			-15,000
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-15,000</b>	<b>0</b>	<b>0</b>	<b>-15,000</b>
<b>Net Expenditure</b>	<b>43,410</b>	<b>0</b>	<b>120</b>	<b>110</b>	<b>-14,960</b>	<b>5,390</b>	<b>0</b>	<b>34,070</b>
<b>Associated Movement in Earmarked Reserves</b>	0		0		15,000			15,000
<b>Net After Earmarked Reserves</b>	<b>43,410</b>	<b>0</b>	<b>120</b>	<b>110</b>	<b>40</b>	<b>5,390</b>	<b>0</b>	<b>49,070</b>

## **HSTRA: Housing Strategy**

### **Commentary on Substantial Budget Changes**

#### **Support Services, +£5,390**

Net increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main increase being in the Economic Development and Planning department.

#### **Government Grants - unavoidable changes to service costs, -£15,000**

Custom and Self Build new burdens funding expected in 2019/20 from MHCLG as a result of the requirement for the Council to maintain a self build and custom house register and give suitable development permissions. Note - unspent amounts at year-end are to be set aside in the Housing Related Grants reserve (see below).

#### **Associated Movements in Earmarked Reserves, +£15,000**

Estimated set aside of unspent Custom and Self Build new burdens funding to the Housing Related Grants reserve at year-end, to fund expenditure maintaining a self build and custom house register and giving suitable development permissions in future years.

6.17 **Cost Centre and Description** IMPGR: Improvement Grants

The service administers and oversees the delivery of the disabled facilities grants and landlord tenant grants. Disabled facilities grants enable homeowners and tenants to remain in their own home. Landlord tenant grants facilitate an increase in affordable housing units in the borough. Delivery of disabled facilities grants requires significant input from housing officers and the Council's surveyors team.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Support Services</b>	91,850		0			22,200		114,050
<b>Total Expenditure</b>	<b>91,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,200</b>	<b>0</b>	<b>114,050</b>
<b>Customer &amp; Client Receipts</b>	-7,060		-140		-19,280			-26,480
<b>Total Income</b>	<b>-7,060</b>	<b>0</b>	<b>-140</b>	<b>0</b>	<b>-19,280</b>	<b>0</b>	<b>0</b>	<b>-26,480</b>
<b>Net Expenditure</b>	<b>84,790</b>	<b>0</b>	<b>-140</b>	<b>0</b>	<b>-19,280</b>	<b>22,200</b>	<b>0</b>	<b>87,570</b>

## **IMPGR: Improvement Grants**

### **Commentary on Substantial Budget Changes**

#### **Support Services +£22,200**

Net increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main increases being in the Economic Development and Planning, Resources and Community Services departments.

Note - A significant element of the increase from the Economic Development and Planning department will be the increased costs from the additional part-time post approved to provide capacity to administer the increase in grant applications. These costs were not included in the 2018/19 original estimate budget. These costs will be covered by the increase in Disabled Facilities Grants administration charges in-year (see below).

#### **Customer & Client Receipts - unavoidable changes to service costs, -£19,280**

This is based on increased Central Government funding for Disabled Facilities Grants continuing into 2019/20 at similar levels to 2018/19 and the continuing use of 10% administration fees for most categories of Disabled Facilities Grants administered by the Council. These factors result in a significant estimated increase in administration fees of £19,280 in 2019/20.

Part of the additional income will cover the increased costs of the additional part-time post approved to provide capacity to administer the increase in grant applications (see above).

6.18 **Cost Centre and Description**      JARMS: Joiners Arms

The Joiners Arms unit provides seven units of temporary accommodation, five of which are family units, to help prevent and deal with homelessness. The housing service manages the units and provides ongoing engagement with the households in the unit to try and ensure they do not remain in temporary accommodation for longer than the target length of stay of 7 weeks.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Employee Related Expenditure</b>	11,130		330	870	310			12,640
<b>Premises Related Expenditure</b>	17,820		350		2,550			20,720
<b>Supplies &amp; Services</b>	2,510		50		10			2,570
<b>Support Services</b>	14,810		0			12,560		27,370
<b>Depreciation and Impairment</b>	7,100		0				260	7,360
<b>Total Expenditure</b>	<b>53,370</b>	<b>0</b>	<b>730</b>	<b>870</b>	<b>2,870</b>	<b>12,560</b>	<b>260</b>	<b>70,660</b>
<b>Customer &amp; Client Receipts</b>	-31,030		-620	600	-3,690			-34,740
<b>Total Income</b>	<b>-31,030</b>	<b>0</b>	<b>-620</b>	<b>600</b>	<b>-3,690</b>	<b>0</b>	<b>0</b>	<b>-34,740</b>
<b>Net Expenditure</b>	<b>22,340</b>	<b>0</b>	<b>110</b>	<b>1,470</b>	<b>-820</b>	<b>12,560</b>	<b>260</b>	<b>35,920</b>



## JARMS: Joiners Arms

### Commentary on Substantial Budget Changes

#### **Premises Related Expenditure - unavoidable changes to service costs, +£2,550**

This is mainly due to an increase in the electricity budget of £2,670, based on the increased occupancy and energy usage levels in 2018/19 to date continuing in 2019/20. In addition, there is a £120 net reduction in costs as a result of minor changes on other premises related budgets.

#### **Support Services, +£12,560**

Increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main increases being in the Economic Development and Planning and Resources departments.

Note - Part of the increase from the Economic Development and Planning department will be due to re-allocation of some Housing staff time from the Homelessness Strategy, Home Energy Conservation and Supporting People cost centres to the Joiners Arms cost centre to reflect the time input on Joiners Arms issues.

#### **Customer & Client Receipts - unavoidable changes to service costs, -£3,690**

This is mainly due to an estimated increase in rent income of £2,810, based on the increased levels of occupancy and rent income in 2017/18 and 2018/19 to date continuing in 2019/20. In addition, there is an estimated increase in income of £880 from electric cards.

6.19 **Cost Centre and Description**      SHARE: Shared Ownership Rents

This budget represents income received from shared ownership property rents at Riverside, Clitheroe, and any related costs.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Customer &amp; Client Receipts</b>	-1,250		-30					-1,280
<b>Total Income</b>	<b>-1,250</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,280</b>

6.20 **Cost Centre and Description** SUPPE: Supporting People

This service area covers additional support areas, such as liaison with supported housing scheme providers, domestic violence support and older people's support.

	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
<b>Supplies &amp; Services</b>	200		0					200
<b>Third Party Payments</b>	17,210		340		-17,550			0
<b>Transfer Payments</b>	2,630	-80	0					2,550
<b>Support Services</b>	9,360		0			-5,220		4,140
<b>Total Expenditure</b>	<b>29,400</b>	<b>-80</b>	<b>340</b>	<b>0</b>	<b>-17,550</b>	<b>-5,220</b>	<b>0</b>	<b>6,890</b>
<b>Net Expenditure</b>	<b>29,400</b>	<b>-80</b>	<b>340</b>	<b>0</b>	<b>-17,550</b>	<b>-5,220</b>	<b>0</b>	<b>6,890</b>
<b>Associated Movement in Earmarked Reserves</b>	-17,210		-350		17,560			0
<b>Net After Earmarked Reserves</b>	<b>12,190</b>	<b>-80</b>	<b>-10</b>	<b>0</b>	<b>10</b>	<b>-5,220</b>	<b>0</b>	<b>6,890</b>

## **SUPPE: Supporting People**

### **Commentary on Substantial Budget Changes**

#### **Third Party Payments - unavoidable changes to service costs, -£17,550**

This relates to expenditure on the Domestic Violence Support Worker and Support Resources scheme and the Domestic Violence Sanctuary Security scheme in 2018/19, which was funded by specific grants from Lancashire County Council that had been set aside previously in the Housing Related Grants reserve (see below). No such expenditure is planned in 2019/20, because there is currently no specific grant funding available to support expenditure on these schemes.

#### **Support Services, -£5,220**

Reduction following the departmental restructure and the yearly re-assessment of costs to date and time allocations in support services areas, with the main decreases being in the Chief Executive's and Economic Development and Planning departments.

#### **Associated Movement in Earmarked Reserves, +£17,560**

This relates to funding transferred from the Housing Related Grants reserve to fund additional domestic abuse support services provided in 2018/19 (see above). No such transfer is planned in 2019/20, because there is no such grant funding available in the Housing Related Grants reserve.

6.21 **Cost Centre and Description** UCRED: Universal Credit

The Council has been working on behalf of the DWP to provide support to Universal Credit claimants in the borough and to manage the phased migration from Housing Benefit to Universal Credit.

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Support Services	21,100		0			2,730		23,830
<b>Total Expenditure</b>	<b>21,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,730</b>	<b>0</b>	<b>23,830</b>
Government Grants	-10,240		0		-950			-11,190
<b>Total Income</b>	<b>-10,240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-950</b>	<b>0</b>	<b>0</b>	<b>-11,190</b>
<b>Net Expenditure</b>	<b>10,860</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-950</b>	<b>2,730</b>	<b>0</b>	<b>12,640</b>

**UCRED: Universal Credit**

**Commentary on Substantial Budget Changes**

**Support Services, +£2,730**

Increase following the departmental restructure and the yearly re-assessment of costs to date and time allocations in the Resources department.

7 SUMMARIES

7.1 The draft budget is summarised in two ways. One over the cost of the service provided by the committee (objective). The other is over the type of expenditure and income (subjective).

**a) Cost of Services Provided (Objective)**

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
APLAC: Alma Place Unit	680		-30	60	140	300	670	1,820
AWARM: Affordable Warmth	750		10		-510			250
CLAIR: Clean Air	2,910	-1,200	10			110		1,830
CLAND: Contaminated Land	8,460		0			1,600		10,060
CLCEM: Clitheroe Cemetery	38,050		60	-14,760	1,360	9,100	-840	32,970
CLMKT: Clitheroe Market	-51,150		-1,820	430	-2,400	4,150	880	-49,910
CMGHH: Community Groups - Health & Housing	46,300		0			-24,410		21,890
COMNL: Common Land	2,420		10			-130		2,300
CTBEN: Localised Council Tax Support Admin	116,610		420	160	26,020	19,260		162,470
DOGWD: Dog Warden & Pest Control	99,780		390	50	-30	19,430	-2,270	117,350
ENVHT: Environmental Health Services	301,380	-310	-340	220	-1,530	30,770		330,190

**a) Cost of Services Provided (Objective)**

<b>Cost Centre and Description</b>	<b>Original Estimate 2018/19</b>	<b>Savings</b>	<b>Inflation at 3% Pay and 2% Other</b>	<b>Variation to Standard Budgeted Inflation %</b>	<b>Unavoidable Changes to Service Costs</b>	<b>Support Services</b>	<b>Capital</b>	<b>DRAFT Original Estimate 2019/20</b>
HGBEN: Housing Benefits	119,090		430	160	-9,190	18,970		129,460
HOMEE: Home Energy Conservation	13,720		10			-8,750		4,980
HOMES: Homelessness Strategy	81,630	-2,160	990		-26,650	1,290		55,100
HSASS: Housing Associations	6,330		0			-120		6,210
HSTRA: Housing Strategy	43,410		120	110	-14,960	5,390		34,070
IMPGR: Improvement Grants	84,790		-140		-19,280	22,200		87,570
JARMS: Joiners Arms	22,340		110	1,470	-820	12,560	260	35,920
SHARE: Shared Ownership Rents	-1,250		-30					-1,280
SUPPE: Supporting People	29,400	-80	340		-17,550	-5,220		6,890
UCRED: Universal Credit	10,860		0		-950	2,730		12,640
<b>Grand Total</b>	<b>976,510</b>	<b>-3,750</b>	<b>540</b>	<b>-12,100</b>	<b>-66,350</b>	<b>109,230</b>	<b>-1,300</b>	<b>1,002,780</b>
<b>Associated Movement in Earmarked Reserves</b>	<b>-17,960</b>		<b>-370</b>		<b>58,940</b>			<b>40,610</b>
<b>Net After Earmarked Reserves</b>	<b>958,550</b>	<b>-3,750</b>	<b>170</b>	<b>-12,100</b>	<b>-7,410</b>	<b>109,230</b>	<b>-1,300</b>	<b>1,043,390</b>

**b) Type of Expenditure/Income (Subjective)**

	Original Estimate 2018/19	Savings	Inflation at 3% Pay and 2% Other	Variation to Standard Budgeted Inflation %	Unavoidable Changes to Service Costs	Support Services	Capital	DRAFT Original Estimate 2019/20
Employee Related Expenditure	13,900		410	870	310			15,490
Premises Related Expenditure	146,990		2,930		5,980	8,900		164,800
Transport Related Expenditure	4,900		90	-40	-100			4,850
Supplies & Services	110,170	-1,510	2,170	320	-17,350			93,800
Third Party Payments	35,760	-2,160	670	110	-23,670			10,710
Transfer Payments	6,339,800	-80	60		-594,570			5,745,210
Support Services	1,140,020		0			100,330		1,240,350
Depreciation and Impairment	27,190		0				-1,300	25,890
<b>Total Expenditure</b>	<b>7,818,730</b>	<b>-3,750</b>	<b>6,330</b>	<b>1,260</b>	<b>-629,400</b>	<b>109,230</b>	<b>-1,300</b>	<b>7,301,100</b>
Government Grants	-6,546,120		0		596,910			-5,949,210
Other Grants and Contributions	-2,280		-40		70			-2,250
Customer & Client Receipts	-286,980		-5,740	-13,360	-33,960			-340,040
Miscellaneous Recharges	-6,840		-10		30			-6,820
<b>Total Income</b>	<b>-6,842,220</b>	<b>0</b>	<b>-5,790</b>	<b>-13,360</b>	<b>563,050</b>	<b>0</b>	<b>0</b>	<b>-6,298,320</b>
<b>Net Expenditure</b>	<b>976,510</b>	<b>-3,750</b>	<b>540</b>	<b>-12,100</b>	<b>-66,350</b>	<b>109,230</b>	<b>-1,300</b>	<b>1,002,780</b>
Associated Movement in Earmarked Reserves	-17,960		-370		58,940			40,610
<b>Net After Earmarked Reserves</b>	<b>958,550</b>	<b>-3,750</b>	<b>170</b>	<b>-12,100</b>	<b>-7,410</b>	<b>109,230</b>	<b>-1,300</b>	<b>1,043,390</b>



## 8 EARMARKED RESERVES

- 8.1 In the Original Estimate for 2018/19 this committee planned to transfer £17,960 from earmarked reserves to support its net expenditure. Looking forward to 2019/20, the proposal included in the estimates is that this committee plans a net transfer of £40,610 to earmarked reserves at year-end.
- 8.2 The table below provides a summary of the DRAFT Original Estimate for 2019/20 together with the budgeted impact of the relevant earmarked reserves movements. Also detailed is a summary of the reasons for the movements on the earmarked reserves.

	<b>DRAFT Original Estimate 2019/20</b>	<b>Reason for Movement on Earmarked Reserve</b>
<b>Committee Net Cost of Services</b>	<b>1,002,780</b>	
HGBAL/H339: Housing Related Grants Reserve	30,000	<p>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.</p> <p>In 2019/20, grant funding set aside from previous years will be released in-year to fund additional expenditure on specific services:                      -£250 to fund affordable warmth services such as home safety/energy efficiency checks and fuel top up grants.                      -£1,000 to help fund expenditure on the homelessness database.</p> <p>In 2019/20, grant funding received in-year but not spent in-year will be set aside at year-end to support relevant expenditure in future years:                      +£16,250 of Flexible Homelessness Support Grant.                      +£15,000 of Custom and Self Build funding.</p>
CPBAL/H330: Capital Reserve	10,610	<p>This is where amounts are set aside to then be used to support capital expenditure.</p> <p>In 2019/20, £10,610 of Flexible Homelessness Support Grant will be set aside at year-end to partly fund the Joiners Arms Roof Renewal capital scheme.</p>
<b>Committee Net Cost of Services after Movements on Earmarked Reserves</b>	<b>1,043,390</b>	

9 KEY VARIATIONS

9.1 The net expenditure for this committee has increased by £84,840 after allowing for associated movements on earmarked reserves. The main reasons for this net increase are summarised in the table below.

Description	Variance - Original Estimate 2018/19 to DRAFT Original Estimate 2019/20 £
<p><b>ALL cost centres - Support Services</b>                      Net increase in Support Services recharges for the Health and Housing Committee overall, following the departmental restructure and the yearly re-assessment of costs to date and time allocations in all support services areas.  <i>Note - One element of the net increase is increased recharges to the Improvement Grants cost centre for the costs of an additional part-time post to provide capacity to administer the increase in Disabled Facilities Grants applications. These costs were not included in the 2018/19 original estimate budget. These costs are covered by the increase in Disabled Facilities Grants administration fees income (see below).</i></p>	109,230
<p><b>HGBEN - Housing Benefits</b>                      Rent Allowance subsidy receiveable from the DWP is estimated to be £32,060 higher than Rent Allowance payments, after adjusting for recovery of housing benefits overpayments and non-cash transactions. This difference is £15,400 lower than budgeted for at original estimate stage in 2018/19.</p>	15,400
<p><b>CLCEM - Clitheroe Cemetery</b>                      Estimated increase in interments, exclusive burial rights and monuments fees income, based on the higher than inflation increases in 2019/20 fees approved by Health and Housing Committee in November 2018. The impact of the fees increase on the actual numbers of interments, exclusive burial rights and monuments rights granted may differ in practice to what is estimated here.</p>	-14,760
<p><b>IMPGR - Improvement Grants</b>                      Estimated increase in Disabled Facilities Grants administration fees to be received in 2019/20. This is based on increased Central Government funding for Disabled Facilities Grants continuing into 2019/20 at similar levels to 2018/19 and the continuing use of 10% administration fees for most categories of Disabled Facilities Grants administered by the Council. This increase was not included in the 2018/19 original estimate budget.  <i>Note - Part of this additional income will cover the increased costs of the additional part-time post to provide capacity to administer the increase in grant applications (see above).</i></p>	-19,280

## 10 RISK ASSESSMENT

10.1 The approval of this report may have the following implications:

- Resources: Approval of the original budget for 2019/20 would see an increase in net expenditure of £26,270 compared with the original budget for 2018/19 or an increase in net expenditure of £84,840 after allowing for movements on earmarked reserves.
- Technical, Environmental and Legal: none identified.
- Political: none identified.
- Reputation: sound financial planning safeguards the reputation of the Council.
- Equality and Diversity: Equality and diversity issues are considered in the provision of all Council services.

## 11 RECOMMENDED THAT COMMITTEE

11.1 Approve the revenue original estimate for 2019/20 and submit this to the Special Policy and Finance Committee.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH3-19/AC/AC  
4 January 2019

For further background information please ask for Andrew Cook  
BACKGROUND PAPERS - None