

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

Agenda Item No 9

meeting date: 1 OCTOBER 2020
 title: REVENUE OUTTURN 2019/20
 submitted by: DIRECTOR OF RESOURCES
 principal author: ANDREW COOK

1 PURPOSE

1.1 To report the revenue outturn 2019/20 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.
- Other Considerations – none identified.

2 BACKGROUND

2.1 The national deadlines for local authorities to produce their Statement of Accounts and have them audited have been extended for the 2019/20 financial year, due to other pressures and priority work that finance departments have had to deal with as a result of Covid-19. Local authorities have to approve their Statement of Accounts for audit by 31 August 2020 and the audited Statement of Accounts must be approved by 30 November 2020.

2.2 Our full Statement of Accounts was approved for audit by the Director of Resources on 28 August 2020. The Statement of Accounts audit will commence in September 2020 and it is expected that the audited Statement of Accounts will be approved by the Accounts and Audit Committee at their meeting on 25 November 2020.

3 REVENUE OUTTURN 2019/20

3.1 Shown below, by cost centre, is a comparison of the 2019/20 actual outturn with the revised estimate budget for this Committee. You will see an overall underspend of **£186,028** on the net cost of services. After transfers to and from earmarked reserves, the overall underspend is **£63,036**. This has been added to General Fund Balances.

Cost Centre	Cost Centre Name	Revised Estimate 2019/20 £	Actual 2019/20 £	Variance £	Associated Earmarked Reserves Variance £	Net Variance £
APLAC	Alma Place Unit	1,850	516	-1,334	0	-1,334
AWARM	Affordable Warmth	530	460	-70	70	0
BURCR	Burials & Cremations	0	0	0	0	0
CLAIR	Clean Air	2,370	2,234	-136	0	-136
CLAND	Contaminated Land	9,150	8,923	-227	0	-227

Cost Centre	Cost Centre Name	Revised Estimate 2019/20 £	Actual 2019/20 £	Variance £	Associated Earmarked Reserves Variance £	Net Variance £
CLCEM	Clitheroe Cemetery	33,000	17,831	-15,169	6,060	-9,109
CLDCY	Closed Churchyards	9,420	5,142	-4,278	0	-4,278
CLMKT	Clitheroe Market	-49,800	-49,366	434	0	434
CMGHH	Community Groups - Health & Housing	18,100	17,472	-628	0	-628
COMNL	Common Land	2,380	2,119	-261	0	-261
CTBEN	Localised Council Tax Support Admin	154,900	150,192	-4,708	0	-4,708
DOGWD	Dog Warden & Pest Control	116,950	113,983	-2,967	0	-2,967
ENVHT	Environmental Health Services	341,150	325,768	-15,382	0	-15,382
HGBEN	Housing Benefits	127,380	121,860	-5,520	0	-5,520
HOMEE	Home Energy Conservation	5,870	5,261	-609	0	-609
HOMES	Homelessness Strategy	59,980	45,697	-14,283	8,628	-5,655
HSASS	Housing Associations	6,610	6,381	-229	0	-229
HSTRA	Housing Strategy	32,220	-79,335	-111,555	108,231	-3,324
IMPGR	Improvement Grants	65,770	60,298	-5,472	5	-5,467
JARMS	Joiners Arms	34,390	31,562	-2,828	0	-2,828
SHARE	Shared Ownership Rents	-400	-428	-28	0	-28
SUPPE	Supporting People	-4,220	-4,586	-366	-2	-368
UCRED	Universal Credit	13,800	13,388	-412	0	-412
NET COST OF SERVICES		981,400	795,372	-186,028	122,992	-63,036

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 below provides a comparison of the 2019/20 actual movements in earmarked reserves with the movements in earmarked reserves that were planned at revised estimate stage. The main reasons for the variations on the movements in earmarked reserves are explained.

	Revised Estimate 2019/20 £	Actual 2019/20 £	Variance £	Main reasons for variations on the Movements in Earmarked Reserves
Committee Net Cost of Services	981,400	795,372	-186,028	
HGBAL/H339 Housing Related Grants Reserve 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.	28,280	36,600	8,320	The main reason is that less Flexible Homelessness Support Grant received in-year was needed to support homelessness additional expenditure and reduced income than budgeted for, mainly due to: <ul style="list-style-type: none"> • less additional homelessness external temporary accommodation costs in-year than anticipated; and • less reduced rent income and less increased Council Tax costs at the Council's homelessness unit than anticipated. Thus, an extra £8,248 was set aside in the Housing Related Grants Reserve at year-end.
HGBAL/H373 Custom and Self Build Registration Grant Reserve This is where funds provided by MHCLG are set aside to fund future expenditure on administering Custom and Self Build Regulations.	15,000	15,000	0	
HGBAL/H337 Equipment Reserve This is where funds are set aside to then fund essential specific purchases for Health and Housing service areas from time to time.	-4,840	1,220	6,060	The main reason is that actual income from fees and charges at Clitheroe Cemetery was £5,372 higher than budgeted for due to greater activity than anticipated in this demand led service area in-year. As a result, £5,370 has been transferred to the Equipment Reserve (Clitheroe Cemetery Foundation Beams Reserve) at year-end, to support spend on foundation beams in future years.

	Revised Estimate 2019/20 £	Actual 2019/20 £	Variance £	Main reasons for variations on the Movements in Earmarked Reserves
CPBAL/H330 Capital Reserve This is where funds are set aside to then fund capital expenditure either in-year or in the future.	7,580	116,192	108,612	The main reason is transfer of S106 monies in-year. This Committee approved the use of S106 monies to help fund capital expenditure on the Longridge Affordable Housing Scheme. £108,231 of S106 monies were required to fund the scheme in 2019/20. Specified accounting entries are required to fund the capital expenditure in this way, which are: <ul style="list-style-type: none"> • release of ring-fenced S106 funding from the S106 holding account to the Health and Housing Committee revenue account in-year (see "Housing Strategy" cost centre additional income of £108,231); and • transfer of £108,231 to the Capital Reserve to fund the 2019/20 capital expenditure. The overall financial impact on the Health and Housing Committee net cost of services 2019/20 is therefore NIL.
Committee Net Cost of Services After Movements on Earmarked Reserves	1,027,420	964,384	-63,036	

5 MAIN VARIATIONS 2019/20

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 below.

Cost Centre	Description of Variance	Variance Amount £
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.	-28,172
HOMES Homelessness Strategy	Less use of external temporary accommodation to support some homelessness cases, because of a lower number of homelessness cases than budgeted for in this demand-led area. <i>NOTE – As a result of the above, less funding for these costs was required from Flexible Homelessness Support Grant income in-year than budgeted for, which meant that more of that grant funding was set aside in the Housing Related Grants Reserve at year-end. Therefore, the impact of this underspend on the net cost of services after transfers to/from earmarked reserves is minimal.</i>	-7,751
CLCEM Clitheroe Cemetery	Lower than budgeted full year charges from the Grounds Maintenance section for grounds maintenance, burials and ashes work at Clitheroe Cemetery. This is mainly due to reduced costs in the Grounds Maintenance section, particularly with regard to repairs and maintenance of grounds maintenance vehicles.	-6,665
ENVHT Environmental Health Services	Income from licences, permits and registrations was higher than budgeted for, due to greater activity than anticipated in these service areas in-year. The main areas of higher income were Environmental Protection Registration fees and Animal Welfare Licence fees.	-5,454

Cost Centre	Description of Variance	Variance Amount £
CLCEM Clitheroe Cemetery	Cemetery fees and charges income was higher than budgeted for, due to greater activity than anticipated in this demand led service area in-year. The main areas of increased income were Interments, Monuments fees and Exclusive Woodland Burial Rights. <i>NOTE - The increased income has been transferred to the Clitheroe Cemetery Foundation Beams Reserve at year-end, so the impact of this additional income on the net cost of services after transfers to/from earmarked reserves is minimal.</i>	-5,372
CLDCY Closed Churchyards	Lower than budgeted full year charges from the Grounds Maintenance section, mainly due to less time input into Closed Churchyards grounds maintenance work in-year than budgeted for. This was the first year of setting a separate budget for closed churchyards grounds maintenance work and the planned hours used for the new budget were higher than those required in practice.	-4,278
IMPGR Improvement Grants	More income from administration of disabled facilities grants, due to higher numbers and value of grant schemes completed in-year than budgeted for at revised estimate.	-2,894
HOMES Homelessness Strategy	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.	-2,875

6 CONCLUSION

- 6.1 There have been a number of variations in both income and expenditure between the 2019/20 revised estimate and the 2019/20 actual outturn. This has given rise to an overall underspend for this Committee of **£63,036** on the net cost of services, after allowing for transfers to and from earmarked reserves.

SENIOR ACCOUNTANT
HH7-20/AC/AC
1 September 2020

DIRECTOR OF RESOURCES

BACKGROUND PAPERS – None.
For further information please ask for Andrew Cook.

**HEALTH AND HOUSING COMMITTEE
MAIN VARIANCES 2019/20**

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
APLAC: Alma Place Unit						
Repairs and Maintenance – Increased costs, mainly due to supply and installation of a new boiler that was not budgeted for.	2,297			2,297		2,297
Service Charges – Onward Homes, who own the freehold, changed their service charge approach in 2019/20, including refunding the repairs fund balance to leaseholders. As a result, the Council are due a one-off refund of £1,529 and paid no service charge in-year.	-2,339			-2,339		-2,339
Dwelling Rents income and Former Tenants income – Actual former tenants income invoiced was higher in-year than estimated at revised estimate budget stage.		-824		-824		-824
Total Alma Place Unit	-42	-824	0	-866	0	-866
CLCEM: Clitheroe Cemetery						
Repairs and Maintenance – Additional works required near the end of the financial year, including new work units and purchase and fitting of both a new toilet bowl and a water heater.	1,301			1,301		1,301
Emergency Tree Work – No emergency tree work was required at Clitheroe Cemetery in-year.	-1,700			-1,700		-1,700
Grave Digging – Hourly rate charges from the Works Administration team were reduced in the final quarter of 2019/20, which resulted in lower overall costs charged for grave digging work.	-1,079			-1,079		-1,079

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Supplies and Services expenditure – Net underspend across several budgets, with the biggest underspends being on fitting cemetery foundation beams (-£685) and purchases of cemetery plaques (-£460).	-1,431			-1,431	690	-741
Grounds Maintenance - Lower than budgeted full year charges for grounds maintenance, burials and ashes work at Clitheroe Cemetery. This is mainly due to reduced costs in the Grounds Maintenance section, particularly with regard to repairs and maintenance of grounds maintenance vehicles.	-6,665			-6,665		-6,665
Fees and Charges income - Higher income than budgeted for due to greater activity than anticipated in this demand led service area in-year. The main areas of increased income were Interments (-£2,368), Monuments fees (-£1,533) and Exclusive Woodland Burial Rights (-£1,520) <i>NOTE - The increased income has been transferred to the Clitheroe Cemetery Foundation Beams Reserve at year-end, to support spend on new foundation beams in future years.</i>		-5,372		-5,372	5,370	-2
Total Clitheroe Cemetery	-9,574	-5,372	0	-14,946	6,060	-8,886
CLDCY: Closed Churchyards						
Grounds Maintenance - Less time input into Closed Churchyards grounds maintenance work in-year than budgeted for. This was the first year of setting a separate budget for closed churchyards grounds maintenance work and the planned hours used for the new budget were higher than those required in practice.	-4,278			-4,278		-4,278
Total Closed Churchyards	-4,278	0	0	-4,278	0	-4,278

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
CLMKT: Clitheroe Market						
Repairs and Maintenance – Increased repairs costs in-year, including market café railings work and replacement shutters and doors on some cabins.	1,954			1,954		1,954
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in several support service areas, with the biggest reduction being in the Chief Executive's department (-£524).			-896	-896		-896
Total Clitheroe Market	1,954	0	-896	1,058	0	1,058
CTBEN: Localised Council Tax Support Admin						
Supplies and Services expenditure – Net underspend across several budgets, with the biggest underspends being on equipment purchases (-£448) and postages (-£712).	-969			-969		-969
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in the Resources department (-£2,792) and ICT Services (-£629).			-3,421	-3,421		-3,421
Total Localised Council Tax Support Admin	-969	0	-3,421	-4,390	0	-4,390

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
DOGWD: Dog Warden & Pest Control						
Grounds Maintenance - Lower than budgeted full year charges for dog bin emptying work. This is mainly due to reduced costs in the Grounds Maintenance section, particularly with regard to repairs and maintenance of grounds maintenance vehicles.	-1,218			-1,218		-1,218
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in several support service areas, with the biggest reduction being in the Chief Executive's department (-£1,566).			-1,792	-1,792		-1,792
Total Dog Warden & Pest Control	-1,218	0	-1,792	-3,010	0	-3,010
ENVHT: Environmental Health Services						
Supplies and Services expenditure – Net underspend across several budgets, with the biggest underspends being on nuisance/illegal tipping costs (-£513), printing and stationery costs (-£280) and food samples costs (-£230).	-1,156			-1,156		-1,156
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in several support service areas, with the biggest reduction being in the Chief Executive's department (-£7,874).			-8,228	-8,228		-8,228

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Licences, Permits and Registrations Income – Income from licences, permits and registrations was higher than budgeted for, due to greater activity than anticipated in these service areas in-year. The main areas of higher income were Environmental Protection Registration fees (-£3,153) and Animal Welfare Licence fees (-£1,578).		-5,454		-5,454		-5,454
Total Environmental Health Services	-1,156	-5,454	-8,228	-14,838	0	-14,838
HGBEN: Housing Benefits						
Rent Allowance payments - Rent Allowance payments were lower than budgeted for, after adjusting for recovery of housing benefits overpayments and non-cash transactions in-year. Actual expenditure was 0.2% less than the £5.67m budgeted for.	-9,986			-9,986		-9,986
Rent Allowance Grant income - Less Housing Benefits subsidy grant received than budgeted for, which broadly reflects less Rent Allowances paid out in-year (see above) – actual income was 0.2% less than the £5.70m budgeted for.		11,206		11,206		11,206
Non-Recurring Purchases - 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).	6,345			6,345		6,345
DWP - LA Data Sharing IT income - 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).		-6,345		-6,345		-6,345
Supplies and Services expenditure – Net underspend across several budgets, with the biggest underspends being on equipment purchases (-£448) and postages (-£712).	-909			-909		-909

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in several support service areas, with the biggest reductions being in the Resources department (-£3,625) and ICT Services (-£629).			-4,289	-4,289		-4,289
Other Income – Various additional income received in-year, with the main ones being DWP funding at year-end to reflect the burden on the Council of implementing Severe Disability Premium changes (-£483) and increased use of MHCLG Flexible Homelessness Support Grant in-year due to increased rent rebate costs paid out to support homeless clients at the Council’s homelessness unit (-£313).		-805		-805		-805
Total Housing Benefits	-4,550	4,056	-4,289	-4,783	0	-4,783
HOMES: Homelessness Strategy						
Homelessness Temporary Accommodation – Less use of external temporary accommodation to support some homelessness cases, because of a lower number of homelessness cases and associated costs in-year than budgeted for in this demand-led service area. <i>Note – Because of the lower costs incurred in-year there was no use of MHCLG Flexible Homelessness Support Grant income required in-year to support homelessness costs. As a result, £7,200 more of that grant income was set aside in the Housing Related Grants Reserve at year-end.</i>	-7,751			-7,751	7,200	-551
Grants to Individuals - 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.	-2,875			-2,875		-2,875

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in several support service areas, with the biggest reduction being in the Economic Development and Planning department (-£1,908).			-2,082	-2,082		-2,082
MHCLG Flexible Homelessness Support Grant income – At year-end, less MHCLG Flexible Homelessness Support Grant funding was used by other budget areas than budgeted for, as follows: <ul style="list-style-type: none"> - £1,361 less was required to fund reduced rent income and increased Council Tax void costs at the Council's homelessness unit (see "Joiners Arms" cost centre). - £313 more was required to cover the loss of DWP Rent Rebate subsidy in relation to Rent Rebates paid at the Council's homelessness unit (see "Housing Benefits" cost centre). <i>Note – As a result of the above £1,048 more grant income was set aside in the Housing Related Grants Reserve at year-end.</i>		-1,048		-1,048	1,048	0
Total Homelessness Strategy	-10,626	-1,048	-2,082	-13,756	8,248	-5,508
HSTRA: Housing Strategy						
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in several support service areas, with the biggest reduction being in the Economic Development and Planning department (-£1,264).			-1,355	-1,355		-1,355

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Use of Commuted Sum income – This is the year-end release of ring-fenced S106 funding to this cost centre, so that it is then transferred to the Capital Reserve to fund 2019/20 capital expenditure on the Longridge Affordable Housing Scheme. The overall financial impact on this cost centre is therefore NIL.		-108,231		-108,231	108,231	0
MHCLG Letting Agents Transparency Redress Scheme income – Unbudgeted additional income received from MHCLG at year-end to reflect the burden on the Council of the Letting Agents Transparency Redress Scheme.		-1,233		-1,233		-1,233
Total Housing Strategy	0	-109,464	-1,355	-110,819	108,231	-2,588
IMPGR: Improvement Grants						
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in several support service areas, with the biggest reductions being in the Economic Development and Planning department (-£1,642) and the Community Services department (-£953).			-2,721	-2,721		-2,721
Disabled Facilities Grants Administration Fees income – Higher income due to higher numbers and value of grant schemes completed in-year than budgeted for at revised estimate.		-2,894		-2,894		-2,894
Total Improvement Grants	0	-2,894	-2,721	-5,615	0	-5,615
JARMS: Joiners Arms						
Premises expenditure – Underspends across several budgets, with the biggest underspends being on repairs and maintenance (-£437), electricity (-£380) and Council Tax (-£200).	-1,486			-1,486		-1,486

	Variance in Expenditure £	Variance in Income £	Variance in Support Services £	Total Variance £	Associated Earmarked Reserves Variance £	Net Variance £
Support Services recharges - Lower than budgeted support services recharges due to reductions in net expenditure in several support service areas, with the biggest reduction being in the Economic Development and Planning department (-£335).			-654	-654		-654
MHCLG Flexible Homelessness Support Grant income – Less use of MHCLG Flexible Homelessness Support Grant funding in-year than budgeted for because the reduced rent income and increased Council Tax void costs in-year were less in practice than budgeted for at revised estimate stage.		1,361		1,361		1,361
Dwelling Rents income, Former Tenants income and Rent refunds – Actual rent-related income was higher than estimated at revised estimate budget stage.		-1,160		-1,160		-1,160
Total Joiners Arms	-1,486	201	-654	-1,939	0	-1,939
Other variances	-701	-4,411	-2,734	-7,846	453	-7,393
<i>Total Variances for Health and Housing Committee</i>	-32,646	-125,210	-28,172	-186,028	122,992	-63,036