

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

meeting date: 2 SEPTEMBER 2021
 title: REVENUE MONITORING 2021/22
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To provide this Committee with information relating to the progress of the 2021/22 revenue budget, as at the end of July 2021.

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 REVENUE MONITORING 2021/22

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate budget for the period April 2021 to July 2021. You will see an overall underspend of £66,066 on the net cost of services, after allowing for transfers to and from earmarked reserves. Please note that underspends and additional income are denoted by figures with a minus symbol.

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £	
AFHOU	Affordable Rent Properties	-3,000	-5,678	-4,554	1,124	G
APLAC	Alma Place Unit	2,350	-98	230	328	G
AWARM	Affordable Warmth	70	24	0	-24	G
CLAIR	Clean Air	1,870	178	338	160	G
CLAND	Contaminated Land	9,360	0	0	0	G
CLCEM	Clitheroe Cemetery	39,200	-762	-9,065	-8,303	R
CLDCY	Closed Churchyards	5,320	2,809	3,106	297	G
CLMKT	Clitheroe Market	-38,660	-108,645	-111,824	-3,179	A
CMGHH	Community Groups - Health & Housing	20,390	0	0	0	G
COMNL	Common Land	2,400	234	0	-234	G
CTBEN	Localised Council Tax Support Admin	167,920	-18,048	-25,964	-7,916	R
DOGWD	Dog Warden & Pest Control	126,750	3,375	5,098	1,723	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £	
ENVHT	Environmental Health Services	339,360	-51,260	-54,065	-2,805	A
HGBEN	Housing Benefits	146,590	279,225	336,616	57,391	R
HOMEE	Home Energy Conservation	6,130	148	0	-148	G
HOMES	Homelessness Strategy	29,370	-52,574	-55,361	-2,787	A
HSASS	Housing Associations	6,510	0	0	0	G
HSTRA	Housing Strategy	47,880	6,346	6,024	-322	G
IMPGR	Improvement Grants	74,200	-9,592	-10,676	-1,084	G
JARMS	Joiners Arms	42,840	4,183	3,558	-625	G
SHARE	Shared Ownership Rents	-460	-1,330	-1,329	1	G
SUPPE	Supporting People	7,420	200	-33,351	-33,551	R
UCRED	Universal Credit	22,400	-2,880	-1,106	1,774	G
Total Health and Housing Committee		1,056,210	45,855	47,675	1,820	
Transfers to/(from) Earmarked Reserves						
Housing Related Grants Reserve - Affordable Warmth Grant		-70	-24	0	24	
Housing Related Grants Reserve - Flexible Homelessness Support Grant		-18,560	0	0	0	
Housing Related Grants Reserve - Homelessness Reduction Act Funding		-6,460	0	0	0	
Housing Related Grants Reserve - Homelessness Prevention Grant		67,910	67,910	0	-67,910	
Equipment Reserve - Joiners Arms Furniture and Equipment		-500	0		0	
Total after transfers to/(from) Earmarked Reserves		1,098,530	113,741	47,675	-66,066	

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

2.2 The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are potential areas of high concern and green variances are areas which currently do not present any significant concern.

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

- Red budget code variances (£5,000 or more) are shown with the budget holder's comments and agreed actions in Annex 1.
- Amber budget code variances (£2,000 to £4,999) are shown with the budget holder's comments in Annex 2.

2.4 The largest overspend to date, is the Housing Benefits rent allowance net overspend of £55,834, which will broadly be funded by increased Housing Benefits subsidy grant income at year-end. Thus, there will be no significant rent allowances net overspend at year-end.

2.5 Additional Domestic Abuse Support new burdens funding of £33,351 has been received from MHCLG in-year. The budget will be amended at revised estimate stage to reflect the additional funding and any associated in-year new burdens spend commitments identified.

2.6 Outlined below are the other main variances to the end of July 2021 that are unlikely to be rectified by the end of the financial year:

- **Localised Council Tax Support Admin/Admin Grant (-£5,446):** Local Council Tax Support Administration funding received from MHCLG for 2021/22 is higher than budgeted for
- **Clitheroe Market/Stalls (-£4,207):** Higher demand for stalls from traders than budgeted for, reflecting the on-going increased popularity of the market among shoppers and traders post Covid-19 lockdown in this demand-led fluctuating service area.
- **Environmental Health Services/Street Trading Licence Income (-£3,027):** There have been several new street trading licences issued since the start of the financial year, which has resulted in increased income.
- **Housing Benefits/DWP – Pensions Credit Uplift New Burdens (-£2,066):** Additional funding received in-year from the DWP to reflect the burden on the Council of administering the pensions credit uplift changes in-year. This funding was not anticipated at original estimate budget stage.
- **Joiners Arms/Dwelling Rents (+£3,654):** Lower occupancy at the Joiners Arms homelessness unit than anticipated at budget setting stage. This is mainly due to flats 1 and 2 being out of service since the end of March 2021 due to damp and water ingress issues.
- **Environmental Health Services/Private Water Samples (+£3,124):** No private water risk assessment and samples work has been undertaken for the year to date, due to on-going vacancies within the Environmental Health team, meaning that available staff time has been focussed on other priority areas of work for the year to date.

3 HOMELESSNESS PREVENTION GRANT 2021/22

3.1 At original estimate budget stage, we had just received notification from MHCLG that new Homelessness Prevention Grant funding would be received in 2021/22 and that this new grant would replace the previously separate Flexible Homelessness Support Grant and Homelessness Reduction Act funding allocations received in previous years.

- 3.2 At that stage, the new Homelessness Prevention Grant funding of £67,912 received in 2021/22 was planned to be transferred to a new Homelessness Prevention Grant earmarked reserve and additional homelessness costs in 2021/22 were to be funded by transfers from amounts previously set aside in the Flexible Homelessness Support Grant and Homelessness Reduction Act funding earmarked reserves.
- 3.3 Since the original estimate budget was set the following changes have been made with regard to the homelessness funding allocation and transfers to and from reserves:
- MHCLG have confirmed that the Homelessness Prevention Grant paid to councils in 2021/22 must be used to help fund homelessness net expenditure in-year. Therefore, the £67,912 grant received in May 2021 will not be transferred to a new Homelessness Prevention Grant earmarked reserve, which is the reason for the -£67,910 variance on Transfers to/(from) Earmarked Reserves at the end of July 2021.
 - Because the Homelessness Prevention Grant must be used to help fund homelessness net expenditure in-year, there is now no need to use amounts previously set aside in the Flexible Homelessness Support Grant and Homelessness Reduction Act funding earmarked reserves to fund additional homelessness costs in 2021/22. The amounts in these reserves were subsequently used to help fund homelessness net expenditure at 2020/21 year-end. Therefore, the budgeted 2021/22 year-end transfers of £25,020 from the Flexible Homelessness Support Grant and Homelessness Reduction Act funding earmarked reserves will not take place.
- 3.4 The budget will be updated at revised estimate stage to reflect these changes.
- 4 CONCLUSION
- 4.1 The comparison between actual expenditure and the original estimate budget for this Committee to the end of July 2021 shows an underspend of £66,066 after allowing for transfers to and from earmarked reserves.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH11-21/AC/AC
24 August 2021

BACKGROUND PAPERS: None
For further information please ask for Andrew Cook

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
SUPPE/ 8961z	Supporting People/MHCLG - Domestic Abuse Support to Victims	0	0	-33,351	-33,351	R	Additional New Burdens funding received in-year from MHCLG to reflect the burden on the Council in 21/22 of working with and supporting Lancashire County Council, who now have a statutory duty to provide support to victims of domestic abuse and their children residing within safe accommodation. The Council was not informed of this funding until after the original estimate budget was set.	The budget will be updated at revised estimate stage to reflect this additional income.
CLCEM/ 5056	Clitheroe Cemetery/Grounds Maintenance	64,760	21,600	12,113	-9,487	R	Less time charges from the Grounds Maintenance team to date on cemetery maintenance work and grave digging. This is partly due to less grave digging work for the year to date (see CLCEM/8441u below), as less burials have taken place so far in-year. Time charges can also fluctuate in-year on this budget code, so there may be higher charges in future months.	The budget will be reviewed at revised estimate budget stage to reflect the latest forecast for the year for grounds maintenance team input at the cemetery.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/ 8007z	Housing Benefits/HRA Rent Rebate Grant	-20,880	-6,964	-12,948	-5,984	R	The higher Rent Rebate subsidy grant income received to date was in line with the estimate prepared for the 2021/22 DWP subsidy grant initial estimate claim, which was completed after the original estimate budget was set. Rent Rebate subsidy grant received plus Homelessness Prevention Grant funding allocated to support Rent Rebate payments are updated at year-end to broadly reflect the actual Rent Rebate payments for the year as a whole. As a result, there is unlikely to be a significant over-recovery of income at year-end.	The budget will be amended at revised estimate stage to reflect the latest full-year estimate for Rent Rebate subsidy grant income.
CTBEN/ 8009z	Localised Council Tax Support Admin/Housing Benefit & CT Benefit Admin Grant	-33,390	-33,390	-38,836	-5,446	R	Higher Local Council Tax Support Administration Grant received from MHCLG for 2021/22 than budgeted for. The Council was not notified of the yearly funding level until after the original estimate budget was set.	The budget will be updated at revised estimate stage to reflect this increased income.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ENVHT/ 3081	Environmental Health Services/Water Samples	15,300	5,116	0	-5,116	R	<p>No private water risk assessments and samples work has been undertaken for the year to date, meaning there are no lab tests costs. This is due to on-going vacancies within the Environmental Health team meaning that staff time has been focussed on other priority areas of work for the year to date. This underspend partly offsets the under-recovery of private water samples income for the year to date (see ENVHT/8417u below).</p> <p>It is likely that Environmental Health staff time will continue to focus on other priority areas of work until staff vacancies are filled.</p>	The budget will be amended at revised estimate stage to reflect the latest full-year estimate for both water samples costs and private water samples income.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ENVHT/8417u	Environmental Health Services/Private Water Samples	-24,710	-8,240	0	8,240	R No private water risk assessment and samples work has been undertaken for the year to date, meaning there is no private water samples income. This is due to on-going vacancies within the Environmental Health team meaning that available staff time has been focussed on other priority areas of work for the year to date. The resulting under-recovery of income to the end of July 2021 is partly offset by reduced water sample lab test costs of £5,116 (see ENVHT/3081 above), the net under-recovery of income to date being £3,124. In addition, lower staff costs for the Environmental Health team, due to staff vacancies, will also offset this under-recovery of income. It is likely that Environmental Health staff time will continue to focus on other priority areas of work until staff vacancies are filled.	The budget will be amended at revised estimate stage to reflect the latest full-year estimate for both private water samples income and water samples costs.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8060z	Housing Benefits/DWP - Discretionary Housing Payments Inc	-63,320	-31,660	-17,517	14,144	R The actual and budget figures to date reflect 50% of the full year Discretionary Housing Payments grant income to be received. The full-year allocation from DWP is currently £35,033, which is £28,287 less than the amount budgeted for. This is because the full-year allocation was notified to the Council after the original estimate budget was set. The DWP have confirmed that additional funding allocations may be made to councils later in the year, but nothing is confirmed at this stage. This grant funds additional discretionary housing benefits spend in-year by the Council and the Council will now make less discretionary housing benefits payments in-year to reflect the reduced funding. Thus, there will be no significant under-recovery of income at year-end.	The budget will be updated at revised estimate stage to reflect the latest full-year estimate for Discretionary Housing Payments grant funding and related payments in-year.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-5,127,300	-1,710,464	-1,690,824	19,640	R	Rent Allowance subsidy grant income was 1.1% lower than the £1.710m budgeted for the year to date. The reduced income is in line with the estimate prepared for the 2021/22 DWP subsidy grant initial estimate claim, which was completed after the original estimate budget was set. Rent Allowance subsidy grant received at year-end is updated to broadly reflect the actual Rent Allowance payments for the year as a whole (see HGBEN/4652 below). As a result, there is unlikely to be a significant under-recovery of income at year-end.	The budget will be amended at revised estimate stage to reflect the latest full-year estimate for Rent Allowance subsidy grant income.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8814z	Housing Benefits/Recovery of Rent Allowance Payments	-25,110	30,484	25,175	36,194	R Rent Allowance payments were 1.8% higher than the £2.050m budgeted for the year to date, after adjusting for recovery of benefits overpayments and non-cash transactions. This is mainly due to a lower caseload reduction for the year to date than budgeted for. The overall caseload is reducing throughout the year as part of the migration from Housing Benefits to Universal Credit in Ribble Valley, but caseload levels can vary due to other factors throughout the year.	The budget will be amended at revised estimate stage to reflect the latest full-year estimate for Rent Allowance payments.
HGBEN/4652	Housing Benefits/Rent Allowance Payments	5,123,800	2,019,289	2,060,793			

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £		Reason for Variance
CLMKT/ 8825n	Clitheroe Market/Stalls	-6,590	-2,198	-6,405	-4,207	A	There has been a higher demand for stalls from traders than budgeted for, reflecting the on-going increased popularity of the market among shoppers and traders post Covid-19 lockdown in this demand-led fluctuating service area. The budget will be amended at revised estimate stage to reflect the latest full-year estimate for market stalls income.
HOMES/ 2450	Homelessness Strategy/Homelessness Temporary Accommodation	10,840	3,616	0	-3,616	A	There is an on-going impact from Covid-19 on homelessness and the Council has incurred homelessness temporary accommodation costs for the year to date. However, those costs are currently being covered by un-ring fenced MHCLG Covid-19 funding under the Policy and Finance Committee budget. The impact for this Committee is therefore an underspend to date on the normal homelessness temporary accommodation budget. The budget and allocation of homelessness temporary accommodation costs will be kept under review throughout the year.
ENVHT/ 8430u	Environmental Health Services/Street Trading Licence	-4,560	-3,038	-6,065	-3,027	A	There have been several new street trading licences issued since the start of the financial year, which has resulted in increased income in this demand-led licence income area. The budget will be amended at revised estimate stage to reflect the latest full-year estimate for street trading licence income.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £		Reason for Variance
JARMS/ 2402	Joiners Arms/Repair & Maintenance - Buildings	10,610	3,536	745	-2,791	A	Less routine repairs work for the year to date than budgeted for. No major responsive repairs have been required so far in-year and two less rooms are being serviced currently, as Flats 1 and 2 are out of service awaiting the capital refurbishment scheme. Further repairs work is likely to be undertaken in-year and the budget will be reviewed at revised estimate budget stage alongside review of repairs budgets across all Council sites.
HGBEN/ 8956z	Housing Benefits/DWP - Pensions Credit Uplift New Burdens	0	0	-2,066	-2,066	A	This is additional funding received in-year from the DWP to reflect the burden on the Council of administering the pensions credit uplift changes in-year. This funding was not anticipated at original estimate budget stage. The budget will be updated at revised estimate stage to reflect this income.
CLCEM/ 8441u	Clitheroe Cemetery/Interment Fees	-37,040	-12,356	-10,322	2,034	A	There have been a lower number of burials interments than estimated in this demand-led fluctuating service area. This is partly offset by a higher number of ashes interments. Fees for burials interments are higher than for ashes interments. The budget will be reviewed at revised estimate stage to reflect the latest full-year estimate for interments income.
DOGWD/ 5056	Dog Warden & Pest Control/Grounds Maintenance	19,880	6,628	9,121	2,493	A	Increased time input charges to dog bin emptying by the Grounds Maintenance team to date. Time input will be reviewed going forwards and the dog bin emptying costs will be managed within the overall Grounds Maintenance budgets across all Council sites. The budget will be reviewed at revised estimate budget stage to reflect the latest dog bin emptying costs forecast for the year.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Net Budget for the Full Year £	Net Budget to the end of July 2021 £	Actual including Commitments to the end of July 2021 £	Variance £		Reason for Variance
JARMS/ 8802u	Joiners Arms/Dwelling Rents	-29,980	-10,000	-6,346	3,654	A	Lower occupancy at the Joiners Arms homelessness unit than anticipated at budget setting stage. This is mainly due to flats 1 and 2 being out of service since the end of March 2021 due to damp and water ingress issues. The flats will be out of service until the flats 1 and 2 renovation capital scheme is completed. This scheme is being held up, as it is proving difficult to obtain quotes for this scheme and the roof renewal scheme, due to the impact of Covid-19 on contractor availability post lockdown. In addition, there has also been some void periods in the other flats. Officers are looking to claim some funding from MHCLG to cover the lost income on flats 1 and 2 given it is due to Covid-19 impact on contractor availability post lockdown.
CLMKT/ 8824n	Clitheroe Market/Cabins	-110,910	-110,910	-107,217	3,693	A	Cabins 29 and 30 have been empty since May 2021, which currently shows reduced income for the full year of £4,752 on these two cabins. A new trader will rent the cabins from September 2021 onwards. This will significantly reduce the under-recovery of income shown to date.