

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

meeting date: 28 OCTOBER 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 September 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 September 2021. You will see an overall underspend of £50,564 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 September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £	
AFHOU	Affordable Rent Properties	-3,000	-5,352	-3,917	1,435	G
APLAC	Alma Place Unit	2,350	-148	-781	-633	G
AWARM	Affordable Warmth	70	36	0	-36	G
CLAIR	Clean Air	1,870	266	338	72	G
CLAND	Contaminated Land	9,360	0	0	0	G
CLCEM	Clitheroe Cemetery	39,200	-1,754	-21,683	-19,929	R
CLDCY	Closed Churchyards	5,320	4,213	4,058	-155	G
CLMKT	Clitheroe Market	-38,660	-104,327	-114,236	-9,909	R
CMGHH	Community Groups - Health & Housing	20,390	0	0	0	G
COMNL	Common Land	2,400	348	0	-348	G
CTBEN	Localised Council Tax Support Admin	167,920	-17,104	-24,558	-7,454	R
DOGWD	Dog Warden & Pest Control	126,750	5,824	5,378	-446	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £	
ENVHT	Environmental Health Services	339,360	-74,010	-79,908	-5,898	R
HGBEN	Housing Benefits	146,590	226,952	327,940	100,988	R
HOMEE	Home Energy Conservation	6,130	222	0	-222	G
HOMES	Homelessness Strategy	29,370	-50,116	-59,471	-9,355	R
HSASS	Housing Associations	6,510	0	0	0	G
HSTRA	Housing Strategy	47,880	6,372	5,769	-603	G
IMPGR	Improvement Grants	74,200	-14,384	-14,390	-6	G
JARMS	Joiners Arms	42,840	6,482	8,067	1,585	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	-20,490	-3,180	17,310	
Transfers to/(from) Earmarked Reserves						
	Housing Related Grants Reserve - Affordable Warmth Grant	-70	-36	0	36	
	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	0	
Total after transfers to/(from) Earmarked Reserves		1,098,530	47,384	-3,180	-50,564	

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 £103,260. However, there will be no significant rent allowance net overspend at year-end, because the total rent allowances paid in-year will be broadly funded by rent allowance subsidy grant income received from the DWP 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 identified.
- 2.6 Outlined below are the other main variances to the end of September 2021 that are unlikely to be rectified by the end of the financial year:
- **Clitheroe Market/Stalls (-£6,117):** Higher stalls demand 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 (-£5,770):** Several new street trading licences issued since the start of the financial year, which has resulted in increased income in this demand-led fluctuating service area.
 - **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. The Council was not notified of the yearly funding level until after the original estimate budget was set.
 - **Homelessness Strategy/Homelessness Temporary Accommodation (-£5,422):** There is an on-going impact from Covid-19 on homelessness and homelessness temporary accommodation costs for the year to date 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 an underspend to date on the normal homelessness temporary accommodation budget.
 - **Clitheroe Cemetery/Monument Fees (-£2,656):** There have been a higher number of requests for grave headstones and ashes plaques memorials than budgeted for, in this demand-led fluctuating income area.
 - **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.
 - **Dog Warden & Pest Control/Domestic Rodent Pest Treatments (+£2,461):** There has been less demand for rodent pest control treatment than budgeted for in the first half of the year and there has been some sickness absence.
 - **Joiners Arms/Dwelling Rents (+£4,330):** 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 (+£4,696):** No private water supplies 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 September 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 September 2021 shows an underspend of £50,564 after allowing for transfers to and from earmarked reserves.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH13-21/AC/AC

18 October 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 September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
SUPPE/ 8961z	Supporting People/MHCLG - Domestic Abuse Support to Victim	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	32,390	17,768	-14,622	R	Less staff time input to the cemetery for the year to date. Difficulty in recruiting casual staff over the summer period meant some maintenance tasks initially planned for Summer 2021 could not be completed.	The aim is to carry out the maintenance tasks not completed over summer in Autumn and Winter. The budget will be reviewed at revised estimate budget stage to reflect the latest full year estimate for grounds maintenance team input.

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 September 2021 £	Actual including Commitments to the end of September 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	-10,444	-19,422	-8,978	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.
ENVHT/3081	Environmental Health Services/Water Samples	15,300	7,662	0	-7,662	R	No private water supplies 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). 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 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 September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CLMKT/ 8825n	Clitheroe Market/Stalls	-6,590	-3,296	-9,413	-6,117	R	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.
ENVHT/ 8430u	Environmental Health Services/Street Trading Licence	-4,560	-3,038	-8,808	-5,770	R	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.
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 September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HOMES/2450	Homelessness Strategy/Homelessness Temporary Accommodation	10,840	5,422	0	-5,422	R	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.
HOMES/8605z	Homelessness Strategy/MHCLG - Accommodation for Ex-Offenders Scheme (Other Income)	0	0	-5,000	-5,000	R	Additional grant funding received in-year from MHCLG to help cover any tenancy support/bonds costs that the Council incur in helping to support ex-offenders to find private rented sector tenancies. This amount is half of the £10,000 grant funding allocated to the Council in 2021/22. The grant is ring-fenced for use with ex-offenders and will support any relevant in-year expenditure in that area. 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 and any associated expenditure 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 September 2021 £	Actual including Commitments to the end of September 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	-12,358	0	12,358	R No private water supplies 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 September 2021 is partly offset by reduced water sample lab test costs of £7,662 (see ENVHT/3081 above), the net under-recovery of income to date being £4,696. 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 September 2021 £	Actual including Commitments to the end of September 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	14,143	R The actual to date is the first of two payments in-year from DWP. The full-year allocation of Discretionary Housing Payments grant funding from DWP was confirmed as £51,425 in September 2021, which is £11,895 less than the full-year amount budgeted for. This is because the full-year allocation was notified to the Council after the original estimate budget was set. This grant funds additional discretionary housing benefits spend in-year by the Council and the Council will 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.
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-5,127,300	-2,564,674	-2,536,236	28,438	R Rent Allowance subsidy grant income was 1.1% lower than the £2.565m 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 September 2021 £	Actual including Commitments to the end of September 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	26,300	23,621	74,822 R	<p>Rent Allowance payments were 2.6% higher than the £2.866m 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. Any higher Rent Allowance payments for the year as a whole will be reflected in more Rent Allowance subsidy grant income received at year-end from the DWP (see HGBEN/8002z above), as payments for the full year are broadly funded by subsidy grant received at year-end. As a result, there is unlikely to be a significant net overspend at year-end.</p>	<p>The budget will be amended at revised estimate stage to reflect the latest full-year estimate for Rent Allowance payments.</p>
HGBEN/4652	Housing Benefits/Rent Allowance Payments	5,123,800	2,839,608	2,917,109			

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 September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £		Reason for Variance
CLCEM/8442u	Clitheroe Cemetery/Monument Fees	-4,600	-2,304	-4,960	-2,656	A	There have been a higher number of requests for grave headstones and ashes plaques memorials than budgeted for, in this demand-led fluctuating income area. The budget will be reviewed at revised estimate stage to reflect the latest full-year estimate for monuments fees income.
HOMES/8802u	Homelessness Strategy/Dwelling Rents	0	0	-2,477	-2,477	A	Since the transfer of housing stock in 2008 the Council has had nomination rights on a property in Longridge to use as homelessness accommodation, whilst Onward Homes managed the property. Onward Homes had requested that use of the property at 23 Wellbrow Drive was formalised in a rental agreement and this has been agreed from March 2021 onwards, with a one month notice period. The Council pays rent to Onward Homes, including for any void periods, along with being responsible for some other costs. The Council rents the property to homeless tenants, which provides rental income when the property is occupied. This is the rental income in relation to this agreement and helps cover the rental costs paid by the Council (see HOMES/2446 below), subject to any void periods. The agreement was set up after the original estimate budget was set and a formal budget has still to be agreed. The budget will be updated at revised estimate stage to reflect this additional 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 September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £		Reason for Variance
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.
CLMKT/ 2402	Clitheroe Market/Repair & Maintenance - Buildings	8,200	5,110	7,288	2,178	A	Increased costs to date compared to the profiled budget are due to additional repairs spend in several areas, such as walls and flagging repairs and repairs work on some cabins before new cabin holders moved in. This increase in costs to date will be taken into account as part of managing the Council's overall repairs budgets across all Council sites and the budget will be reviewed at revised estimate stage.

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 September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £	Reason for Variance
HOMES/ 2446	Homelessness Strategy/Rent of Buildings	0	0	2,186	2,186	A Since the transfer of housing stock in 2008 the Council has had nomination rights on a property in Longridge to use as homelessness accommodation, whilst Onward Homes managed the property. Onward Homes had requested that use of the property at 23 Wellbrow Drive was formalised in a rental agreement and this has been agreed from March 2021 onwards, with a one month notice period. The Council pays rent to Onward Homes, including for any void periods, along with being responsible for some other costs. The Council rents the property to homeless tenants, which provides rental income when the property is occupied. This expenditure is the rent paid to Onward Homes for this property, which is funded by rental income received (see HOMES/8802u above), subject to any void periods. The agreement was set up after the original estimate budget was set and a formal budget has still to be agreed. The budget will be updated at revised estimate stage to reflect this additional expenditure.
DOGWD/ 8725n	Dog Warden & Pest Control/Domestic Rodent Pest Treatments	-8,130	-3,579	-1,118	2,461	A There has been less demand for rodent pest control treatment than budgeted for in the first half of the year and there has been some sickness absence. At this stage, reduced income is expected for the full year. The budget will be updated at revised estimate stage to reflect the latest full-year estimate for domestic rodent pest control 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 September 2021 £	Actual including Commitments to the end of September 2021 £	Variance £	Reason for Variance
JARMS/ 8802u	Joiners Arms/Dwelling Rents	-29,980	-13,747	-9,417	4,330	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. In addition, there have also been some void periods in the other flats. Flats 1 and 2 will be out of service until the flats 1 and 2 renovation capital scheme is completed, after the Joiners Arms roof renewal scheme is completed. At this stage, the scheme is unlikely to be completed in 2021/22, as the roof renewal scheme work is subject to a six month delay on slate supply. Thus, under-recovery of rent income is likely to continue throughout 2021/22. The budget will be updated at revised estimate stage to reflect this reduced income.