

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO HEALTH AND HOUSING COMMITTEE

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meeting date: 13 JANUARY 2022  
title: REVISED REVENUE BUDGET 2021/22  
submitted by: DIRECTOR OF RESOURCES  
principal author: ANDREW COOK

### 1. PURPOSE

- 1.1. To agree a revised revenue budget for 2021/22 for this Committee.

### 2. BACKGROUND

- 2.1. The original estimate for this current financial year was set in March 2021.
- 2.2. As members will be aware, there can be numerous variations to the budget that come to our attention as the year progresses, particularly through the budget monitoring process.
- 2.3. At this time of year we revise the estimates for the current financial year in order to predict the likely outturn. In essence the revised estimate is the Council's latest forecast for the outturn on the current financial year's budget. This also assists us in preparing the original estimate for the coming financial year.
- 2.4. The budget this year has been particularly impacted by the on-going Covid-19 pandemic. The pandemic has also brought about wider pressures on service resources to the extent that there has been a lighter touch review of the budgets this year, and the reporting this year is at a higher level than that usually provided.

### 3. REVISING THE ORIGINAL ESTIMATE

- 3.1. Since the budget was originally set we now have the benefit of information from the outturn position for 2020/21 and the variances that were experienced in that financial year. Furthermore, as we have been monitoring our budgets during the year we can also use this information to inform the revised budget process.
- 3.2. The original budget for 2021/22 included provision for pay increases at 2% and price increases at 2%.
- 3.3. Whilst our committee income and expenditure may increase or decrease at the revised estimate, items such as our budgeted core government funding and our council tax precept remain fixed. As a result, any compensating movement is within our earmarked reserves and general fund balances.
- 3.4. In addition to the use of data on past performance there have been discussions with budget holders and Heads of Service on past service provision and future plans. However, as previously highlighted, there has been a lighter touch review of the budgets this year due to Covid-19.
- 3.5. Furthermore, decisions and actions required as a result of committee meetings are incorporated in to the budget setting process, whilst financial implications would likely have already been identified as part of any committee decision.
- 3.6. As part of the setting of the revised estimate, this report is now presented to Committee to seek comment and approval. Once approved by this Committee, the revised estimate will be reported to Special Policy and Finance Committee.

3.7. The proposed revised estimate for this Committee is now presented in the following section. There are also details of the current actual position as at the end of November 2021 against the profiled Original Estimate and alongside the proposed Revised Estimate at Annex 1.

#### 4. PROPOSED REVISED REVENUE BUDGET 2021/22

4.1. A comparison between the original and revised budgets for each cost centre is shown below, together with the associated movements in earmarked reserves.

Cost Centre and Description	Original Estimate 2021/22	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2021/22
AFHOU: Affordable Rent Properties	-3,000	-810	3,420		2,280	1,890
APLAC: Alma Place Unit	2,350	20	-670	50	70	1,820
AWARM: Affordable Warmth	70	420				490
CLAIR: Clean Air	1,870			-240		1,630
CLAND: Contaminated Land	9,360			390		9,750
CLCEM: Clitheroe Cemetery	39,200	4,270	-10,100	2,840	370	36,580
CLDCY: Closed Churchyards	5,320					5,320
CLMKT: Clitheroe Market	-38,660	4,440	-14,530	1,200	-1,320	-48,870
CMGHH: Community Groups - Health & Housing	20,390			-13,110		7,280
COMNL: Common Land	2,400			-1,690		710
CTBEN: Localised Council Tax Support Admin	167,920	-2,700	-8,970	-12,280		143,970
DOGWD: Dog Warden & Pest Control	126,750	4,870	6,050	-3,080		134,590
ENVHT: Environmental Health Services	336,650	-9,920	13,590	-292,950		47,370
HGBEN: Housing Benefits	146,590	175,480	-161,520	-8,240		152,310
HOMEE: Home Energy Conservation	6,130			270		6,400
HOMES: Homelessness Strategy	29,000	34,610	-40,040	5,070		28,640
HSASS: Housing Associations	6,510			410		6,920
HSTRA: Housing Strategy	47,880			780		48,660
IMPGR: Improvement Grants	74,200		1,660	-1,800		74,060
JARMS: Joiners Arms	42,840	3,040	5,840	2,370	1,020	55,110

Cost Centre and Description	Original Estimate 2021/22	Movement in Expenditure	Movement in Income	Movement in Support Services	Movement in Capital Charges	Revised Estimate 2021/22
SHARE: Shared Ownership Rents	-460			50		-410
SUPPE: Supporting People	7,420	-200	-33,350	260		-25,870
UCRED: Universal Credit	22,400		1,780	-1,930		22,250
<b>Net Cost of Services</b>	<b>1,053,130</b>	<b>213,520</b>	<b>-236,840</b>	<b>-321,630</b>	<b>2,420</b>	<b>710,600</b>
<b>Associated Movements in Earmarked Reserves</b>						
HGBAL/H337 Equipment Reserve	-500	-3,980				-4,480
HGBAL/H339 Housing Related Grants Reserve	42,820	18,710	-28,670			32,860
<b>Net Cost of Services after Movements in Earmarked Reserves</b>	<b>1,095,450</b>	<b>228,250</b>	<b>-265,510</b>	<b>-321,630</b>	<b>2,420</b>	<b>738,980</b>

4.2. The difference between the revised and original estimate is a decrease in the net cost of services of £342,530 or a decrease in the net cost of services of £356,470 after allowing for movements in earmarked reserves.

## 5. EARMARKED RESERVES

5.1. In the original estimate for 2021/22 this Committee planned a net transfer of £42,320 to earmarked reserves. In revising this Committee's estimates, the proposal included here is a net transfer of £28,380 to earmarked reserves in 2021/22.

5.2. The table below provides a summary of the DRAFT revised estimate for 2021/22 together with the budgeted impact on the relevant earmarked reserves. Also detailed is a summary of the reasons for the movements in the earmarked reserves.

	DRAFT Revised Estimate 2021/22	Reason for Movement in Earmarked Reserve
<b>Net Cost of Services</b>	<b>710,600</b>	
HGBAL/H337 Equipment Reserve	-4,480	<p>Estimated transfers from the Equipment Reserve as follows:</p> <p>-£3,980 transfer from the Dog Warden Signs (Equipment) Reserve to fund planned purchase and installation of new Public Space Protection Order dog signs in-year.</p> <p>-£500 transfer from the Joiners Arms Furniture and Equipment Reserve to pay for part of the estimated furniture and equipment costs at Joiners Arms in-year.</p>

	<b>DRAFT Revised Estimate 2021/22</b>	<b>Reason for Movement in Earmarked Reserve</b>
<b>HGBAL/H339</b> Housing Related Grants Reserve	32,860	Estimated net transfers to the Housing Related Grants Reserve as follows:  +£33,350 estimated transfer of Domestic Abuse Support new burdens funding received to the Domestic Abuse Support Reserve, awaiting consideration of whether the Council will incur any additional expenditure to provide strategy, assessment, administration and reporting support to Lancashire County Council relating to their new duty under the Domestic Abuse Bill to provide support to victims of domestic abuse and their children residing within safe accommodation.  -£490 estimated transfer of ring-fenced grant funding from the Affordable Warmth Reserve to fund some affordable warmth expenditure in-year.
<b>Net Cost of Services after Movements in Earmarked Reserves</b>	<b>738,980</b>	

## 6. KEY MOVEMENTS FROM ORIGINAL ESTIMATE TO REVISED ESTIMATE

6.1. Within the proposed revised estimate there are a number of substantial movements that increase or decrease the net cost of services total, and these are summarised in the table below. The variances shown are prior to movements in earmarked reserves.

<b>Description</b>	<b>Variance - Original Estimate 2021/22 to Revised Estimate 2021/22 £</b>
<p><b>VARIOUS – Support Services</b></p> <p>Estimated net reduction in support services recharges across most Health and Housing Committee cost centres, due to reductions in estimated net expenditure in several support service areas, the biggest reductions being as follows:</p> <ul style="list-style-type: none"> <li>Chief Executive's recharge to Environmental Health Services, -£293,460. Of this, £174,350 is due to Environmental Health staff time being diverted to Covid-19 pandemic response work in-year and £119,110 is due to lower net expenditure in the Chief Executive's department, including less employee costs as a result of staff vacancies within Environmental Health Services.</li> <li>Economic Development and Planning department recharge to Community Groups - Health &amp; Housing, -£13,110. Due to less time input to community groups development by the re-organised posts in the Economic Development team.</li> <li>Resources department recharge to Local Council Tax Support Admin, -£11,800. Due to a reduction in net expenditure in the Resources department.</li> </ul>	-321,630

Description	Variance - Original Estimate 2021/22 to Revised Estimate 2021/22 £
<p><b>SUPPE – Supporting People</b> Domestic Abuse Support new burdens funding was received from DLUHC in 2021/22 in relation to the Council's responsibility to provide strategy, assessment, administration and reporting support to Lancashire County Council relating to their duty under the Domestic Abuse Bill to provide support to victims of domestic abuse and their children residing within safe accommodation. The Council was informed of the funding after the original estimate budget was set.</p> <p>At this stage it is planned to set aside this funding in an earmarked reserve at year-end awaiting consideration of whether the Council will incur any additional expenditure.</p>	-33,350
<p><b>CLMKT – Clitheroe Market</b> Increased stalls and pitches income due to higher demand from traders than budgeted for. The budget at the Original Estimate was set on a prudent basis for stalls and pitches income.</p>	-14,630
<p><b>HGBEN – Housing Benefits</b> Increased housing benefits administration grant and other new burdens grant income and funding received in-year from the DWP and DLUHC. The Council was informed of the funding after the original estimate budget was set.</p>	-8,690
<p><b>HOMES – Homelessness Strategy</b> The Council has received additional homelessness funding from DLUHC in-year to target homelessness prevention support on rough sleepers, ex-offenders and those facing eviction due to Covid-19 related rent arrears. Most of this grant funding must be matched by additional extra expenditure, but £8,000 is likely to fund previously budgeted for emergency accommodation costs for rough sleepers and those at risk of rough sleeping.</p>	-8,000
<p><b>CLCEM – Clitheroe Cemetery</b> Estimated cemetery fees and charges income is increased because income for the year to date is higher than budgeted for in this demand-led service area. The main areas of increased income were interments, monuments fees and exclusive burial rights.</p>	-7,110
<p><b>CTBEN – Local Council Tax Support Admin</b> Actual Local Council Tax Support administration grant received from DLUHC for 2021/22 was higher than originally budgeted for. The Council was informed of the yearly allocation after the original estimate budget was set.</p>	-5,440
<p><b>JARMS – Joiners Arms</b> No rent and service charge income is expected from flats 1 and 2 in-year because they are expected to be out of service all year whilst waiting for the Joiners Arms Roof Renewal and Flats 1 and 2 Renovation capital schemes to be completed. Set against this the Council is temporarily using another of its properties on Peel Street as a homeless unit whilst flats 1 and 2 are out of service, before it is leased out as an Affordable Rent property, and some rent income will be received for this property.</p>	+5,650

Description	Variance - Original Estimate 2021/22 to Revised Estimate 2021/22 £
<p><b>DOGWD – Dog Warden &amp; Pest Control</b> Estimated reduced rodent pest treatments income for the year, because less treatments were undertaken in summer 2021 due to Covid-19 restrictions and the service has not been offered since August 2021 because of sick leave and the Pest Control Officer post being vacant from December 2021.</p>	+7,010
<p><b>ENVHT – Environmental Health Services</b> Estimated net under-recovery of income from private water supplies sampling and risk assessments work in-year. This is because priority sample work only will be undertaken in-year, due to the reduced Environmental Health team staff resources, caused by vacancies, being focused on other priority areas of work.</p>	+7,570
<p><b>HGBEN – Housing Benefits</b> From 2021/22 revised estimate onwards an increase in net costs for rent allowances is being budgeted for. This is because there are a reducing number of housing benefits cases which include overpayments due to increased electronic data matching at initial housing benefit claim stage. The Council have previously received more income for overpayments cases paid, from a combination of partial subsidy grant received and any overpayments then invoiced for recovery by the Council. Thus, budgeting for less overpayments cases means higher net costs in-year going forwards.</p>	+25,920

## 7. CONCLUSION

7.1. The difference between the revised and original estimate is a decrease in the net cost of services of £356,470 after allowing for transfers to and from earmarked reserves.

## 8. RISK ASSESSMENT

8.1. The approval of this report may have the following implications:

- Resources: Approval of the revised estimate would see a decrease in net expenditure of £356,470 after movements in 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.

## 9. RECOMMENDED THAT COMMITTEE

9.1. Approve the revenue revised estimate for 2021/22, as set out on pages 2 and 3.

SENIOR ACCOUNTANT  
HH1-22/AC/AC  
4 January 2022

DIRECTOR OF RESOURCES

**ACTUAL TO THE END COF NOVEMBER 2021 WITH ORIGINAL ESTIMATE 2021/22 AND PROPOSED  
REVISED ESTIMATE 2021/22**

Description	Original Estimate to end of November 2021	Actual and Commitments to end of November 2021	Full Year Original Estimate	Proposed Revised Estimate
AFHOU: Affordable Rent Properties	-8,193	-4,481	-3,000	1,890
APLAC: Alma Place Unit	-202	-1,238	2,350	1,820
AWARM: Affordable Warmth	48	217	70	490
CLAIR: Clean Air	354	1,048	1,870	1,630
CLAND: Contaminated Land	0	0	9,360	9,750
CLCEM: Clitheroe Cemetery	-2,778	-19,705	39,200	36,580
CLDCY: Closed Churchyards	5,320	4,551	5,320	5,320
CLMKT: Clitheroe Market	-114,403	-128,738	-38,660	-48,870
CMGHH: Community Groups - Health & Housing	0	0	20,390	7,280
COMNL: Common Land	462	0	2,400	710
CTBEN: Localised Council Tax Support Admin	-15,816	-25,682	167,920	143,970
DOGWD: Dog Warden & Pest Control	10,137	10,669	126,750	134,590
ENVHT: Environmental Health Services	-100,729	-104,851	336,650	47,370
HGBEN: Housing Benefits	145,174	116,486	146,590	152,310
HOMEE: Home Energy Conservation	296	0	6,130	6,400
HOMES: Homelessness Strategy	-41,580	-60,219	29,000	28,640
HSASS: Housing Associations	0	0	6,510	6,920
HSTRA: Housing Strategy	6,548	5,705	47,880	48,660
IMPGR: Improvement Grants	-19,178	-19,480	74,200	74,060
JARMS: Joiners Arms	7,523	7,327	42,840	55,110
SHARE: Shared Ownership Rents	-1,330	-1,329	-460	-410
SUPPE: Supporting People	200	-33,351	7,420	-25,870

**ACTUAL TO THE END COF NOVEMBER 2021 WITH ORIGINAL ESTIMATE 2021/22 AND PROPOSED  
REVISED ESTIMATE 2021/22**

<b>Description</b>	<b>Original Estimate to end of November 2021</b>	<b>Actual and Commitments to end of November 2021</b>	<b>Full Year Original Estimate</b>	<b>Proposed Revised Estimate</b>
UCRED: Universal Credit	-2,880	-1,106	22,400	22,250
<b>Net Cost of Services</b>	<b>-131,027</b>	<b>-254,177</b>	<b>1,053,130</b>	<b>710,600</b>
<b>Associated Movements in Earmarked Reserves</b>				
<b>HGBAL/H337</b> Equipment Reserve	0	0	-500	-4,480
<b>HGBAL/H339</b> Housing Related Grants Reserve	67,862	-217	42,820	32,860
<b>Net Cost of Services after Movements in Earmarked Reserves</b>	<b>-63,165</b>	<b>-254,394</b>	<b>1,095,450</b>	<b>738,980</b>