

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

meeting date: 23 MARCH 2023
 title: REVENUE MONITORING 2022/23
 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 2022/23 revenue budget, as at the end of January 2023.

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 needs, whilst ensuring the Council provides council tax payers with value for money.
- Other Considerations – none identified.

2 REVENUE MONITORING 2022/23

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the revised estimate budget for the period April 2022 to January 2023. You will see a net overspend of £2,365, 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 January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	
AFHOU	Affordable Rent Properties	-4,870	-5,692	-6,512	-820	G
APLAC	Alma Place Unit	2,680	-312	-784	-472	G
AWARM	Affordable Warmth	270	-28,836	-41,315	-12,479	R
CLAIR	Clean Air	2,350	610	1,237	627	G
CLAND	Contaminated Land	7,750	0	0	0	G
CLCEM	Clitheroe Cemetery	54,770	-232	-3,754	-3,522	A
CLDCY	Closed Churchyards	6,740	6,740	6,941	201	G
CLMKT	Clitheroe Market	-27,550	-126,359	-124,422	1,937	G
CMGHH	Community Groups - Health & Housing	7,590	0	0	0	G
COMNL	Common Land	3,620	592	526	-66	G
CTBEN	Localised Council Tax Support Admin	187,770	-7,280	-7,331	-51	G

Cost Centre	Cost Centre Name	Net Budget for the Full Year £	Net Budget to the end of January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	
DOGWD	Dog Warden & Pest Control	172,660	27,665	25,114	-2,551	A
ENVHT	Environmental Health Services	278,740	-4,227	-5,373	-1,146	G
HFORU	Homes for Ukraine	-125,350	-130,866	-201,794	-70,928	R
HGBEN	Housing Benefits	200,940	65,144	119,963	54,819	R
HOMEE	Home Energy Conservation	6,470	0	0	0	G
HOMES	Homelessness Strategy	57,080	-40,928	-70,212	-29,284	R
HSASS	Housing Associations	8,220	0	0	0	G
HSTRA	Housing Strategy	54,690	7,202	5,898	-1,304	G
IMPGR	Improvement Grants	112,820	-23,842	-23,571	271	G
JARMS	Joiners Arms	49,030	6,376	-365	-6,741	R
SHARE	Shared Ownership Rents	-350	-1,370	-1,369	1	G
SUPPE	Supporting People	5,730	-30,830	-30,883	-53	G
Net Cost of Services		1,061,800	-286,445	-358,006	-71,561	
Capital Reserve		11,770	0	0	0	
Equipment Reserve - Dog Warden Signs Reserve		-3,980	0	0	0	
Equipment Reserve - Joiners Arms Furniture and Equipment Reserve		-2,000	0	0	0	
Housing Related Grants Reserve - Affordable Warmth Grant Reserve		-270	-270	12,474	12,744	
Housing Related Grants Reserve - Accommodation for Ex-Offenders Reserve		-7,660	-7,154	-4,620	2,534	
Housing Related Grants Reserve - Homes For Ukraine Reserve		125,350	125,350	183,998	58,648	
Net Cost of Services after transfers to/(from) Earmarked Reserves		1,185,010	-168,519	-166,154	2,365	

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 overspends to date are the Housing Benefits rent allowance payments overspend and rent allowance subsidy grant under-recovery of income, which have a combined net overspend of £50,862. However, any higher rent allowance payments for the year as a whole will be reflected in increased rent allowance subsidy grant income received at year-end from the DWP, 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 on rent allowances at year-end.
- 2.5 Outlined below are the main variances to the end of January 2023 that are unlikely to be rectified by the end of the financial year.

Description	Variance to the end of January 2023 £
<p>Homes For Ukraine/HFU Housing Grants - At the end of January 2023 no payments had been made on the Council's new Housing Support Grant for Ukraine guests. The vast majority of the grant scheme budget will be unspent at financial year-end, but it is expected that further use of the grant scheme will be made in 2023/24 as more Ukraine guests are likely to be looking to secure private rented accommodation.</p> <p><i>Any unspent grant at financial year-end will be set aside in an earmarked reserve, which will then fund payments on the grant scheme in 2023/24.</i></p>	-40,000
<p>Homes for Ukraine/HFU Community Integration Grants – The plan is for the remaining £12,000 budget for Community Integration Grants to be used to provide a second batch of grants via the LCC led process used for the first batch, but it is likely that this second batch will be paid out in 2023/24 rather than in 2022/23.</p> <p><i>Any unspent grant at financial year-end will be set aside in an earmarked reserve, which will then fund payments on the grant scheme in 2023/24.</i></p>	-12,000
<p>Homelessness Strategy/Non Recurring Purchases of Equipment etc - This is grant funded budget for any relevant spend by the Council on helping the Home Office with asylum seeker dispersal in-year, but at this stage no additional spend is expected in-year.</p> <p>Confirmation is to be obtained by officers as to whether the unspent funding must be repaid to the Home Office or whether it can be used in another way.</p>	-17,502

Description	Variance to the end of January 2023 £
<p>Affordable Warmth/Grants to Individuals - No payments had been made on this grant scheme at the end of January 2023 and there is likely to be an underspend at financial year-end. LCC, who fund the scheme, have already confirmed that any grant budget unspent in 2022/23 can be carried forward into 2023/24.</p> <p><i>Any unspent grant at financial year-end will be set aside in an earmarked reserve, which will then fund payments on the grant scheme in 2023/24.</i></p>	-12,474
<p>Clitheroe Cemetery/Interment Fees - Increased income to date in this demand-led fluctuating service area, including increased income from several interments for non-residents of the borough.</p>	-4,822
<p>Homelessness Strategy/Homelessness Temporary Accommodation – Less use of external temporary accommodation, such as hotels and bed and breakfast accommodation, for homeless people to date than anticipated at revised estimate budget stage.</p>	-3,481
<p>Homelessness Strategy/Grants to Individuals - Accommodation for Ex-Offenders Scheme – At the end of January 2023 no payments had been made in-year to support ex-offenders to secure rented accommodation, under this DLUHC grant funded scheme. Further spend in-year is unlikely and the current scheme grant funding period ends on 31 March 2023.</p> <p>If an underspend occurs, then confirmation will be obtained by officers as to whether the unspent funding must be repaid to DLUHC or whether it can be used in another way.</p>	-2,534
<p>Dog Warden & Pest Control/R&M Oncosted Wages - Less Works Administration team works on dog bin repairs and replacements in-year than budgeted for.</p>	-2,049
<p>Clitheroe Cemetery/Repair & Maintenance – Buildings - Due to the supply and installation of a new boiler required at cemetery house, which was not anticipated when the revised estimate budget was set.</p>	2,062
<p>Clitheroe Cemetery/Exclusive Woodland Burial Rights - There have been a lower number of requests for woodland plots than budgeted for in this demand-led fluctuating service area.</p>	2,379
<p>Dog Warden & Pest Control/Domestic Rodent Pest Treatments - Lower demand to date than budgeted for in this demand-led service area.</p>	3,068
<p>Clitheroe Market/Repair & Maintenance – Buildings - There have been significant repairs costs on the market cabins to date, including painting of all doors, shutters repairs and electrical works. This is in addition to the repairs work undertaken on the market surfacing, market entrance building, market cafe and the stalls.</p>	5,780

3 CONCLUSION

- 3.1 The comparison between actual expenditure and the revised estimate budget for this Committee at the end of January 2023 shows a net overspend of £2,365, after allowing for transfers to and from earmarked reserves.

3.2 At this stage, it is expected that this Committee's net expenditure outturn for the full year will be within the 2022/23 revised estimate budget set.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH6-23/AC/AC
10 March 2023

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 January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HFORU/3014	Homes for Ukraine/HFU Housing Grants	80,000	40,000	0	-40,000	R This budget funds payments under the Council's Housing Support Grant for Ukraine guests. The scheme makes available a cash bond to cover the first month's rent and/or deposit required to secure a private rented property. At the end of January 2023 no payments had been made. One grant payment has subsequently been made since then. The vast majority of the grant scheme budget will be unspent at financial year-end.	Any unspent Housing Support Grant for Ukraine guests at financial year-end will be set aside in an earmarked reserve, which will then fund payments on the grant scheme in 2023/24. It is expected that further use of the grant scheme will be made in 2023/24 as more Ukraine guests are likely to be looking to secure private rented accommodation.
HFORU/3015	Homes for Ukraine/HFU Community Integration Grants	24,000	18,648	0	-18,648	R The first batch of Community Integration Grants have been awarded to community-based schemes, following approval by a LCC led panel. The £12,000 cost is funded from Ribble Valley Borough Council's Community Integration budget and the Council expect the payment to LCC to be made in March 2023. The plan is for the remaining £12,000 of budget to be used to provide a second batch of Community Integration Grants via the same process as the first batch. It is likely that this second batch will be paid out in 2023/24.	The Strategic Housing Officer will liaise with LCC to set up the process for the second batch of Community Integration Grants. Any unspent Community Integration Grants budget at financial year-end will be set aside in an earmarked reserve, which will then fund payments on the grant scheme in 2023/24.

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 January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant	
HOMES/ 2809	Homelessness Strategy/Non Recurring Purchases of Equipment etc	21,000	17,502	0	-17,502	R	This is grant funded budget for any relevant spend by the Council on helping the Home Office with asylum seeker dispersal in-year. There was no additional spend in this area by the end of January 2023 and at this stage no additional spend is expected in-year, so a significant underspend is expected.	Confirmation is to be obtained by officers as to whether the unspent funding must be repaid to the Home Office or whether it can be used in another way.
AWARM/ 4676	Affordable Warmth/Grants to Individuals	41,580	12,474	0	-12,474	R	No payments had been made on this grant scheme at the end of January 2023, but there was one grant approved for £2,619. Officers have continued to promote the scheme and further grant approvals have been made in February and March 2023, but there is still likely to be an underspend at financial year-end. LCC, who fund the scheme, have already confirmed that any grant budget unspent in 2022/23 can be carried forward into 2023/24.	Any unspent Affordable Warmth Grants funding at financial year-end will be set aside in an earmarked reserve, which will then fund payments on the grant scheme in 2023/24.
HFORU/ 4692	Homes for Ukraine/Grants to Individuals - HFU Sponsor Grant	100,800	82,656	75,370	-7,286	R	Lower than estimated "Thank You" payments to Homes For Ukraine sponsors. The number of sponsors receiving the £350 per month payments fluctuates as the numbers of Ukrainian guests moving in or out of sponsors' accommodation fluctuates each month.	All payments made in-year will be funded by Homes For Ukraine Sponsor Grants funding from DLUHC. No funding above this will be provided for the year as a whole, so there is unlikely to be a significant net underspend at financial year-end.

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 January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8007z	Housing Benefits/HRA Rent Rebate Grant	-40,810	-34,012	-28,540	5,472 R	Rent Rebate subsidy grant income received to date is lower than budgeted for at revised estimate stage. This is because the reduced income is in line with the estimate prepared for the 2022/23 DWP subsidy grant mid-year estimate claim, which was completed before the revised estimate budget was set. The revised estimate budget figures have estimated a higher level of Rent Rebate payments and subsidy grant income for the year than the figures previously produced for the DWP mid-year estimate.	Any higher Rent Rebate payments for the year as a whole will be reflected in both higher Rent Rebate subsidy grant received at year-end and higher Homelessness Prevention Grant allocated against Rent Rebate spend at year-end. This is because both of these grant funding areas 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 net under-recovery of income at year-end.
CLMKT/2402	Clitheroe Market/Repair & Maintenance - Buildings	8,450	7,388	13,168	5,780 R	There have been significant repairs costs of £8,242 on the market cabins alone up to the end of January 2023, including painting of all doors, shutters repairs and electrical works. This is in addition to the repairs work undertaken on the market surfacing, market entrance building, the market cafe and the stalls.	This overspend will not be covered by a budget virement in-year from another repairs budget because the overall position on the Council's repairs budgets currently shows no overall underspend position to fund a virement from. Further repairs spend in-year will only take place on required reactive urgent repairs.

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 January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8002z	Housing Benefits/Rent Allowances Grant	-5,059,080	-4,216,238	-4,193,970	22,268 R	Rent Allowance subsidy grant income received to date is 0.53% lower than budgeted for at revised estimate stage. This is because the reduced income is in line with the estimate prepared for the 2022/23 DWP subsidy grant mid-year estimate claim, which was completed before the revised estimate budget was set. The revised estimate budget figures have estimated a higher level of Rent Allowance payments and subsidy grant income for the year than the figures previously produced for the DWP mid-year estimate.	Rent Allowance subsidy grant received at year-end is updated to broadly reflect the actual Rent Allowance payments for the year as a whole. As a result, there is unlikely to be a significant net under-recovery of income at year-end.
HGBEN/8814z	Housing Benefits/Recovery of Rent Allowance Payments	-41,720	29,846	33,958	28,594 R	Rent Allowance payments to date are 0.65% higher than budgeted for at revised estimate stage, after adjusting for recovery of benefits overpayments and non-cash transactions. We budgeted for Rent Allowance caseload to reduce and associated payments to reduce, mainly due to the on-going caseload migration from Housing Benefits to Universal Credit in Ribbles Valley. The caseload reduction impact on actual payments to date in 2022/23 is lower than budgeted for.	Any higher Rent Allowance payments for the year as a whole will be reflected in increased Rent Allowance subsidy grant income received at year-end from the DWP, 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.
HGBEN/4652	Housing Benefits/Rent Allowance Payments	5,095,360	4,370,290	4,394,772			

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 January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	Reason for Variance
CLCEM/ 8441u	Clitheroe Cemetery/Interment Fees	-41,580	-34,652	-39,474	-4,822	A Increased income to date in this demand-led fluctuating service area, including increased income from several interments for non-residents of the borough. At this stage, it is anticipated that there will be an over-recovery of income for the full year.
HFORU/ 2881	Homes for Ukraine/Purchase of Equipment & Materials	8,380	6,512	2,295	-4,217	A This budget is for Community Integration events, activities and expenditure organised directly by the Council for the Ukrainian guests. The underspend to date is mainly due to no recharges being made to date for the Leisure passes provided to Ukrainian guests. These costs are to be recharged at financial year-end and there may be other costs incurred for the Ukraine war anniversary event and commemorative development around the Peace Tree area of the Castle grounds.
HOMES/ 2450	Homelessness Strategy/Homelessness Temporary Accommodation	9,520	7,934	4,453	-3,481	A Less use of external temporary accommodation, such as hotels and bed and breakfast accommodation, for homeless people to the end of January 2023 than anticipated at revised estimate budget stage. This is a demand led expenditure area, where costs can fluctuate between years and in-year.
JARMS/ 2432	Joiners Arms/Electricity	12,690	8,884	5,496	-3,388	A The general ledger at the end of January 2023 only shows electricity costs paid up until November 2022, so the electricity costs in the high usage months of December to March are still to be paid for. Thus, it is likely that there will not be a large underspend by financial year-end.

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 January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	Reason for Variance
HOMES/ 4660	Homelessness Strategy/Grants to Individuals - Accom for Ex-Offenders	3,040	2,534	0	-2,534	A The Council received ring-fenced grant funding from DLUHC in 2022/23 to help ex-offenders secure rented accommodation, via payments of advance rent, rent deposits and/or help with furniture costs. £3,040 of this funding was rolled forward for use in 2022/23 because the scheme runs until March 2023. At the end of January 2023 no payments had been made in-year to support ex-offenders. Officers are unsure whether there will be any further spend in-year and the current scheme grant funding period ends on 31 March 2023. If an underspend occurs then confirmation will be obtained by officers as to whether the unspent funding must be repaid to DLUHC or whether it can be used in another way.
HOMES/ 2446	Homelessness Strategy/Rent of Buildings	6,880	5,734	3,670	-2,064	A The Council owed £2,372 to Onward Homes for temporary use of a property in summer 2023 for homelessness temporary accommodation. The invoice was still awaited from Onward Homes at the end of January 2023. The invoice will be paid in March 2023, which will clear this variance.
DOGWD/ 2401	Dog Warden & Pest Control/R & M Oncosted Wages	7,030	6,594	4,545	-2,049	A This is mainly due to less Works Administration team works on dog bin repairs and replacements in-year than budgeted for. The level of work required can fluctuate between years and in-year.
JARMS/ 8802u	Joiners Arms/Dwelling Rents	-41,500	-32,856	-34,885	-2,029	A Increased rent and service charges income for the year to date at the Council's homelessness unit, due to higher occupancy than anticipated in the revised estimate budget. Occupancy levels at the homelessness unit can fluctuate between years and in-year. Flat 2 is currently out of service due to damp issues so this may reduce the over-recovery of income position by year-end.

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 January 2023 £	Actual including Commitments to the end of January 2023 £	Variance £	Reason for Variance
CLCEM/2402	Clitheroe Cemetery/Repair & Maintenance - Buildings	1,630	1,360	3,422	2,062	A Due to the supply and installation of a new boiler required at cemetery house, which was not anticipated when the revised estimate budget was set. This overspend will not be covered by a budget virement in-year from another repairs budget because the overall position on the Council's repairs budgets currently shows no overall underspend position to fund a virement from.
CLCEM/8747u	Clitheroe Cemetery/Exclusive Woodland Burial Rights	-13,690	-11,410	-9,031	2,379	A There have been a lower number of requests for woodland plots than budgeted for in this demand-led fluctuating service area. At this stage, it is anticipated that there will be an under-recovery of income for the full year.
DOGWD/8725n	Dog Warden & Pest Control/Domestic Rodent Pest Treatments	-8,370	-6,781	-3,713	3,068	A Lower demand to date than budgeted for in this demand-led service area. It is unlikely that demand will increase significantly in February and March 2023, so an under-recovery of income is expected by financial year-end. Officers will promote the service to residents, to try and increase income in future.