

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH AND HOUSING COMMITTEE

meeting date: 18 MARCH 2021
 title: REVENUE MONITORING 2020/21
 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 2020/21 revised revenue budget, as at the end of January 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, whilst ensuring the Council provides council tax payers with value for money.
- Other Considerations – none identified.

2 REVENUE MONITORING 2020/21

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the revised estimate budget for the period April 2020 to January 2021. You will see an overall overspend of £33,340 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	Budget for the Full Year £	Budget to end of January 2021 £	Actual including Commitments to end of January 2021 £	Variance £	
AFHOU	Affordable Rent Properties	-266,850	-2,962	-3,110	-148	G
APLAC	Alma Place Unit	2,370	-248	-967	-719	G
AWARM	Affordable Warmth	410	344	0	-344	G
BURCR	Burials & Cremations	0	0	0	0	G
CLAIR	Clean Air	1,820	434	712	278	G
CLAND	Contaminated Land	9,430	0	0	0	G
CLCEM	Clitheroe Cemetery	40,320	-6,524	-10,242	-3,718	A
CLDCY	Closed Churchyards	5,220	4,350	3,553	-797	G
CLMKT	Clitheroe Market	-39,810	-112,046	-112,004	42	G
CMGHH	Community Groups - Health & Housing	15,210	0	0	0	G
COMNL	Common Land	2,450	568	0	-568	G
CTBEN	Localised Council Tax Support Admin	151,820	-15,196	-18,007	-2,811	A

Cost Centre	Cost Centre Name	Budget for the Full Year £	Budget to end of January 2021 £	Actual including Commitments to end of January 2021 £	Variance £	
DOGWD	Dog Warden & Pest Control	112,800	27,600	26,201	-1,399	G
ENVHT	Environmental Health Services	302,740	-15,200	-21,123	-5,923	R
HGBEN	Housing Benefits	120,190	-66,086	-9,792	56,294	R
HOMEE	Home Energy Conservation	6,570	360	0	-360	G
HOMES	Homelessness Strategy	50,440	-29,846	-37,288	-7,442	R
HSASS	Housing Associations	6,710	0	0	0	G
HSTRA	Housing Strategy	49,020	286	-187	-473	G
IMPGR	Improvement Grants	79,010	-20,948	-20,224	724	G
JARMS	Joiners Arms	41,990	10,804	11,371	567	G
SHARE	Shared Ownership Rents	-400	-1,300	-1,303	-3	G
SUPPE	Supporting People	19,220	11,900	11,698	-202	G
UCRED	Universal Credit	22,680	-2,880	-2,882	-2	G
Net Cost of Services		733,360	-216,590	-183,594	32,996	
Transfers to/(from) Earmarked Reserves						
	Housing Related Grants Reserve - Affordable Warmth Grant	-410	-344	0	344	
	Housing Related Grants Reserve - Domestic Abuse Outreach Support Service	-11,700	-11,700	-11,700	0	
	Housing Related Grants Reserve - Homelessness Reduction Act Funding	7,090	0	0	0	
	Housing Related Grants Reserve - Flexible Homelessness Support Grant	26,740	0	0	0	
	Business Rates Growth Reserve	-480	-480	-480	0	
	Equipment Reserve - Joiners Arms Furniture and Equipment Reserve	-2,230	-2,230	-2,230	0	
	Capital Reserve	266,610	0	0	0	
Net Cost of Services after transfers to/(from) Earmarked Reserves		1,018,980	-231,344	-198,004	33,340	

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 £65,680 which will be broadly funded by increased Housing Benefits subsidy grant income at year-end. Thus, there will be no significant overspend at year-end.
- 2.5 Outlined below are the main variances to the end of January 2021 that are unlikely to be rectified by the end of the financial year:

Description	Variance to the end of January 2021 £
<p>Clitheroe Cemetery/Interment Fees and Exclusive Woodland Burial Rights Fees - Higher income due to both normal year-on-year variations in the numbers of interments and plot reservations and a number of non-residents interments for the year to date. <i>Some of this increased income will be used to offset the repairs overspend at Clitheroe Market.</i></p>	-6,425
<p>Homelessness Strategy/Homelessness Temporary Accommodation – Increased homelessness costs in-year due to Covid-19 are being covered by MHCLG Covid-19 funding under the Policy and Finance Committee budget. As a result, the impact for this Committee is an underspend to date on the normal homelessness temporary accommodation budget. <i>Some of this underspend will be used to offset the repairs overspend at Joiners Arms homelessness unit.</i></p>	-4,978
<p>Environmental Health Services/Street Trading Licences - Several new street trading licences issued in-year, which has resulted in increased income in this demand-led licence income area.</p>	-4,770
<p>Dog Warden & Pest Control/Grounds Maintenance – Increased costs due to some increased dog bin emptying work in-year and an increase in the internal charge out rate in-year. <i>Budget will be transferred from the Ribble Valley Parks grounds maintenance budget to cover this overspend.</i></p>	2,021
<p>Clitheroe Market/Repair & Maintenance - Buildings – Increased costs due to extra tarmacing, other essential repairs works and electrical testing in-year, plus an increase in the internal charge out rate in-year. <i>Increased income above budget from Clitheroe Cemetery will be used to cover this overspend.</i></p>	4,230
<p>Joiners Arms/Repair & Maintenance - Buildings – Increased costs due to significant re-decoration work in-year, the impact of higher Covid-19 occupancy and an increase in the internal charge out rate in-year. <i>Budget will be transferred from the Homelessness Temporary Accommodation budget to cover this overspend.</i></p>	4,634

2.6 A number of service areas reported here may show income levels as being similar to that normally expected. However, as invoiced income shown in this report represents that which has been invoiced rather than actually paid, this masks issues around levels of outstanding debt, notably as a result of the Covid-19 pandemic and its impact on businesses and individuals.

3 CONCLUSION

3.1 The comparison between actual expenditure and the revised estimate budget for this Committee at the end of January 2021 shows a net overspend of £33,340, after allowing for transfers to and from earmarked reserves.

3.2 The largest overspend to date is the Housing Benefits rent allowance net overspend of £65,680 which will be broadly funded by increased Housing Benefits subsidy grant income at year-end. Thus, there will be no significant overspend at year-end.

3.3 There is a high level of outstanding debt on invoiced income in some service areas as a result of Covid-19.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH6-21AC/AC
5 March 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	Budget for the Full Year £	Budget to end of January 2021 £	Actual including Commitments to end of January 2021 £	Variance £		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
HGBEN/8007z	Housing Benefits/HRA Rent Rebate Grant	-30,130	-25,110	-32,100	-6,990	R	More Rent Rebate grant subsidy income to date than budgeted for at Revised Estimate. This is because actual income is in line with estimates prepared for the 2020/21 DWP subsidy grant Mid-Year Estimate in August 2020, whereas the 2020/21 Revised Estimate produced in December 2020 estimated less subsidy income for the full-year than the Mid-Year Estimate, based on less Covid-19 impact for the rest of the financial year.	The level of subsidy grant income received at year-end and the level of Flexible Homelessness Support Grant allocated to support homelessness unit rent rebate payments at year-end will broadly cover the Rent Rebates payments made in-year. As a result, there is no significant over-recovery of Rent Rebates grant income expected for the full year, at this stage.

Health and Housing Committee Revenue Monitoring – Red Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to end of January 2021 £	Actual including Commitments to end of January 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	2,862	28,041	65,680	R Rent Allowance payments are 1.4% 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 Ribble Valley. The caseload reduction impact on actual payments to date in 2020/21 is less than budgeted for. In addition, there have been less benefits overpayments invoiced for the year to date than budgeted for (the level of overpayments can fluctuate from year to year and in-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, 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	5,548,240	4,706,016	4,746,517			

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to end of January 2021 £	Actual including Commitments to end of January 2021 £	Variance £		Reason for Variance
HOMES/2450	Homelessness Strategy/Homelessness Temporary Accommodation	5,630	4,692	-286	-4,978	A	The Council has incurred significant additional homelessness temporary accommodation costs for the year to date, due to a rise in homelessness cases caused by Covid-19 and the implementation of the national no rough sleeping policy operating during pandemic lockdown periods. However, these costs are being covered by MHCLG Covid-19 funding, including some specific homelessness grants, under the Policy and Finance Committee budget. As a result, the impact for this Committee is an underspend to date on the normal homelessness temporary accommodation budget.
ENVHT/8430u	Environmental Health Services/Street Trading Licence	-7,150	-7,150	-11,920	-4,770	A	There have been several new street trading licences issued in-year, which has resulted in increased income in this demand-led licence income area.
CLCEM/8441u	Clitheroe Cemetery/Interment Fees	-41,760	-34,802	-38,985	-4,183	A	Higher interments income due to both the normal year-on-year variations in the numbers of interments requested in this demand-led income area and a number of non-residents interments for the year to date (non-residents interment fees are double the fees charged to residents).
CLCEM/8747u	Clitheroe Cemetery/Exclusive Woodland Burial Rights	-6,680	-5,568	-7,810	-2,242	A	Higher income due to the normal year-on-year and in-year variations in the numbers of plot reservations in this demand-led income area, for the year to date.

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to end of January 2021 £	Actual including Commitments to end of January 2021 £	Variance £		Reason for Variance
DOGWD/ 5056	Dog Warden & Pest Control/Grounds Maintenance	19,490	16,244	18,265	2,021	A	<p>There has been some extra dog bin emptying work undertaken by grounds maintenance in response to call backs where bins become full between scheduled emptying dates and also covering dog bin emptying where there were vacancies and sickness on the dog warden service earlier in the financial year. In addition, there has been an increase in the internal charge out rate per hour for the grounds maintenance team, who undertake this work, because of the impact of sickness and Covid-19.</p> <p>Budget will be transferred from Ribble Valley Parks grounds maintenance budget to cover this overspend.</p>
CLMKT/ 2402	Clitheroe Market/Repair & Maintenance - Buildings	13,940	12,191	16,421	4,230	A	<p>Increased costs due to the following:</p> <ul style="list-style-type: none"> - Extra works to date, those being tarmac works, in response to the poor state of some surface areas through wear and tear and increased vehicle access and footfall at the market this year, plus works on market cabin doors and shutters repairs, railings works on the market café and the five yearly electrical testing work for the whole market being undertaken in summer 2020. - An increase in the internal charge out rate per hour for the works administration team, who undertake some of this work, because of the impact of sickness and Covid-19. <p>This has led to an overspend against the full year budget.</p> <p>Increased income above budget from Clitheroe Cemetery will be used to cover this overspend.</p>

Health and Housing Committee Revenue Monitoring – Amber Variances

Ledger Code	Ledger Code Name	Budget for the Full Year £	Budget to end of January 2021 £	Actual including Commitments to end of January 2021 £	Variance £		Reason for Variance
JARMS/ 2402	Joiners Arms/Repair & Maintenance - Buildings	13,300	11,084	15,718	4,634	A	<p>Increased costs due to the following:</p> <ul style="list-style-type: none"> - Significant re-decoration work in-year and impact from higher Covid-19 occupancy in summer 2020. - An increase in the internal charge out rate per hour for the works administration team, who undertake some of this work, because of the impact of sickness and Covid-19. <p>This has led to an overspend against the full year budget.</p> <p>Budget will be transferred from the Homelessness Temporary Accommodation budget to cover this overspend.</p>