

First Quarter Budget Monitoring 2019/20

Communities, Housing & Environment Committee

10 September 2019

Lead Officer: Mark Green

Report Authors: Chris Hartgrove/Paul Holland

Contents

Executive Summary.....	2
Revenue Spending.....	3
Significant Variances.....	7
Capital Spending.....	9



Executive Summary

This report is intended to provide Members with an overview of performance against revenue and capital budgets in Quarter 1 and forecast outturn for 2019/20 for the services within this Committee's remit.

Robust budget monitoring is a key part of effective internal financial control, and therefore is one of the elements underpinning good corporate governance.

The aim of reporting financial information to service committees at quarterly intervals is to ensure that underlying trends can be identified at an early stage, and that action is taken to combat adverse developments or seize opportunities.

It is advisable for these reports to be considered in conjunction with quarterly performance monitoring reports, as this may provide the context for variances identified with the budget and general progress towards delivery of the Council's strategic priorities.

Headline messages for Quarter 1 are as follows:

- For this Committee, there is an under spend against the Revenue budget of £0.234m at the Quarter 1 stage, although this is expected to reduce to an under spend of £0.115m by the end of the financial year.
- For the Council as a whole, at the end of Quarter 1, an under spend against Revenue budgets of £0.346m was achieved, and at this stage we expect to remain within budget for the year.
- Capital expenditure of £0.583m has been incurred in Quarter 1 for the projects within the Committee's remit. Total budget for the year is £17.677m and slippage of £4.270m is projected at year end across a range of projects.
- For the Council as a whole, Capital expenditure of £1.424m has been incurred during Quarter 1. Total budget for the year is £51.754m.

Revenue Budget

1st Quarter 2019/20



Revenue Spending

At the end of the first quarter, there is an overall positive variance of £0.234m against the revenue budget for this Committee. Based on current information, we are forecasting that this will decrease to an under spend of £0.115m by the end of the year.

The charts below show the income and expenditure position for each of the service committees.

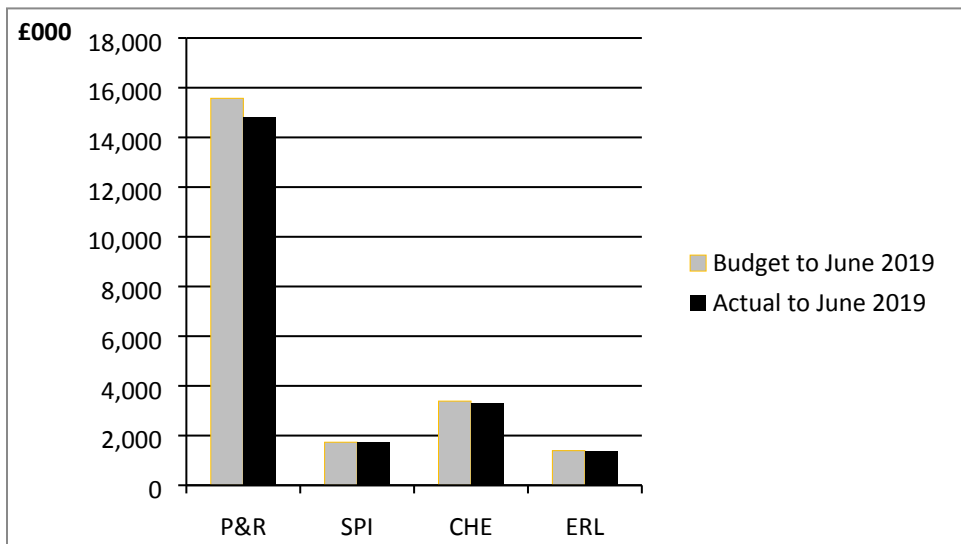


Chart 1 Performance against budget analysed by service committee (Expenditure)

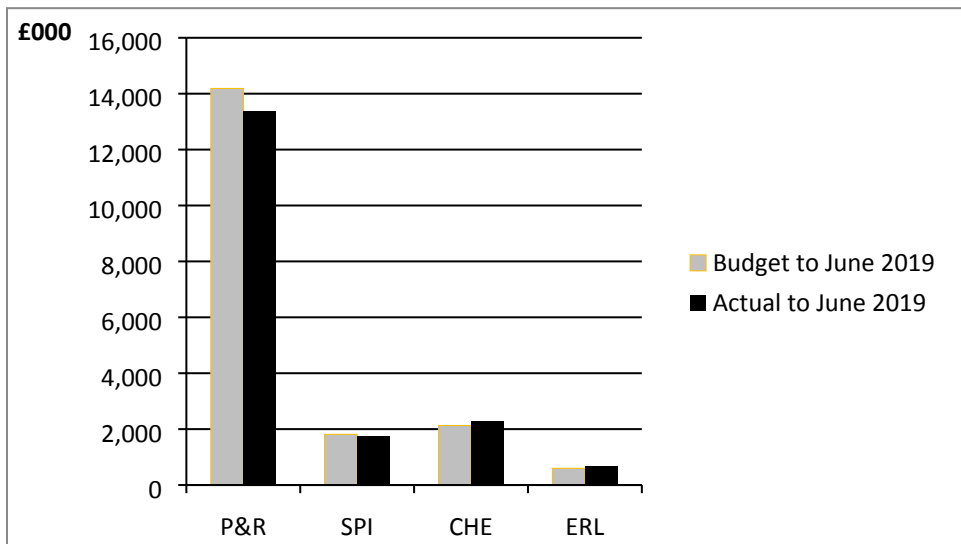


Chart 2 Performance against budget analysed by service committee (Income)

The table on the following page details the budget and expenditure position for this Committee's services during the first quarter. These figures represent the net budget for each cost centre. The actual position includes expenditure for goods and services which we have received but not yet paid for.

The columns of the table show the following detail:

- a) The cost centre description;
- b) The value of the total budget for the year;
- c) The amount of the budget expected to be spent by the end of June 2019;
- d) The actual spend to that date;
- e) The variance between expected and actual spend;
- f) The forecast spend to year end; and
- g) The expected significant variances at 31 March 2020.

The table shows that of a net annual expenditure budget of £8.855m it was expected that £1.657m would be spent up until the end of June 2019. At this point in time the budget is reporting an under spend of £0.234m, although the current forecast indicates that the year-end position for the Committee will reduce to an under spend of £0.115m.

Revenue Budget Summary Q1 2019/20



(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Budget for Year £000	Budget to 30 June 2019 £000	Actual £000	Variance £000	Forecast 31 March 2020 £000	Forecast Variance 31 March 2020 £000
Parks & Open Spaces	893	219	248	-29	928	-35
Playground Maintenance & Improvements	144	34	26	8	144	0
Parks Pavilions	25	6	9	-2	25	0
Mote Park	255	61	55	5	255	0
Allotments	12	2	2	0	12	0
Leisure Services Other Activities	5	0	1	-1	5	0
Cemetery	43	40	38	3	43	0
National Assistance Act	-0	-0	0	-0	-0	0
Crematorium	-736	-31	-43	12	-736	0
Community Safety	45	6	5	1	45	0
PCC Grant - Building Safer Communities	0	-17	-18	0	0	0
CCTV	208	52	65	-13	208	0
Drainage	32	8	0	8	32	0
Licences	-6	-1	-5	4	-6	0
Licensing Statutory	-66	-17	-17	1	-66	0
Licensing Non Chargeable	8	2	2	-0	8	0
Dog Control	29	4	10	-5	29	0
Health Improvement Programme	9	9	0	9	9	0
Pollution Control - General	45	39	34	6	45	0
Contaminated Land	0	0	-0	0	0	0
Waste Crime	-11	-3	7	-10	-11	0
Food Hygiene	2	0	-0	1	2	0
Sampling	3	1	0	1	3	0
Occupational Health & Safety	25	4	-2	6	25	0
Infectious Disease Control	1	0	0	0	1	0
Noise Control	1	0	0	0	1	0
Pest Control	-12	-3	-3	-0	-12	0
Public Conveniences	171	43	48	-5	171	0
Licensing - Hackney & Private Hire	-64	-18	-37	19	-64	0
Street Cleansing	1,174	277	273	5	1,174	0
Household Waste Collection	1,183	301	309	-7	1,183	0
Commercial Waste Services	-64	-18	-8	-9	-64	0
Recycling Collection	713	269	250	18	713	0
Community Environmental Engagement	81	20	8	12	81	0
Social Inclusion	4	0	0	0	4	0
Public Health - Obesity	0	-18	-22	4	0	0
Public Health - Misc Services	2	-4	-6	2	2	0
Grants	184	92	93	-0	184	0
Delegated Grants	2	2	1	1	2	0
Parish Services	127	64	63	0	127	0
Member's Community Grant	60	6	1	5	60	0

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Budget for Year £000	Budget to 30 June 2019 £000	Actual £000	Variance £000	Forecast 31 March 2020 £000	Forecast Variance 31 March 2020 £000
Strategic Housing Role	50	3	-27	30	41	9
Housing Register & Allocations	10	9	9	-0	10	0
Private Sector Renewal	-47	1	0	1	-47	0
HMO Licensing	-20	-5	-7	2	-20	0
Homeless Temporary Accommodation	601	150	136	15	601	0
Homelessness Prevention	262	-296	-398	102	262	0
Aylesbury House	20	5	10	-5	20	0
Magnolia House	-22	-5	-6	1	-22	0
St Martins House	0	-0	-1	1	0	0
Marsham Street	29	7	9	-2	29	0
Sundry Temporary Accommodation (TA) Properties	-37	-7	-8	1	-37	0
Pelican Court (Leased TA Property)	0	-20	-20	0	0	0
2 Bed Property - Temporary Accommodation	-87	-20	-18	-2	-87	0
3 Bed Property - Temporary Accommodation	-72	-15	6	-21	-72	0
4 bed Property - Temporary Accommodation	-11	-2	-1	-1	-11	0
1 Bed Property- Temporary Accommodation	0	1	0	1	0	0
Housing First Project	80	20	1	19	80	0
Melville Road Supported Accommodation	-9	-3	-9	6	-9	0
Marden Caravan Site (Stilebridge Lane)	19	5	-0	5	19	0
Ulcombe Caravan Site (Water Lane)	7	-1	0	-1	7	0
Head of Environment and Public Realm	98	24	23	1	98	0
Bereavement Services Section	181	46	50	-4	181	0
Community Partnerships & Resilience Section	502	125	152	-27	454	48
Licensing Section	108	27	25	3	108	0
Environmental Protection Section	261	65	65	0	261	0
Food and Safety Section	255	64	65	-1	255	0
Depot Services Section	691	171	169	2	691	0
Head of Housing & Community Services	107	27	27	-0	107	0
Homechoice Section	206	17	6	11	206	0
Housing & Inclusion Section	518	-27	-43	17	518	0
Housing & Health Section	254	-26	-11	-15	254	0
Housing Management	247	-12	-20	8	247	0
Homelessness Outreach	0	-138	-138	-1	0	0
Salary Slippage 3CHE	-99	-25	0	-25	-99	0
Fleet Workshop & Management	275	69	51	17	275	0
MBS Support Crew	-61	-17	-27	11	-61	0
Grounds Maintenance - Commercial	13	3	-32	35	-80	93
	8,855	1,657	1,423	234	8,740	115

Table 1 Revenue Budget Position, Q1 2019/20 – Communities, Housing & Environment Committee

Significant Variances

Within these headline figures, there are a number of adverse and favourable variances for individual service areas. This report draws attention to the most significant variances, i.e. those exceeding £30,000 or expected to do so by the end of the year. The table below provides further detail regarding these variances, and the actions being taken to address them.

It is important that the potential implications of variances are considered at this stage, so that contingency plans can be put in place and if necessary, this can be used to inform future financial planning.

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
Communities, Housing & Environment Committee	£000		
Parks and Open Spaces - There is an unrealised Medium Term Financial Strategy savings target, which relates to a previous restructure exercise. This has been partly offset by staffing vacancies. Spend is ahead of budget but spend tends to be seasonal and return to with budget by the third quarter.		-29	-35
Strategic Housing Role - The under spend in this cost centre is due to unallocated grants, however these should be spent by the end of the financial year.	30		9
Homelessness Prevention - The under spend in this cost centre is due to unspent grants; these should be spent by the end of the financial year.	102		0
Community Partnerships & Resilience Section - The adverse variance in Quarter 1 is due to a number of redundancies and associated costs. However the restructure of the section and subsequent lower costs should result in a positive variance by year end.		-27	48
Grounds maintenance Commercial - Additional income has been generated in this area from section 106 funded works, and other external works.	35		93

Table 2 Significant Variances – Communities, Housing & Environment Committee

Capital Budget

1st Quarter 2019/20



Capital Spending

The five-year Capital Programme for 2019/20 onwards was approved by Council on 27th February 2019. Funding for the Programme remains consistent with previous Council decisions in that the majority of capital resources will now come from prudential borrowing as other sources of funding are not sufficient to cover the costs of the Programme, although funding does continue to be available from New Homes Bonus. At the time of preparing this report there has been no need to borrow, but it is anticipated that borrowing will be needed later in 2019/20.

Progress made towards the delivery of planned projects for 2019/20 is set out in the table below. The budget figure is the approved estimate for 2019/20 and includes resources which have been brought forward from 2018/19, which have been added to the agreed budget for the current year.

To date, expenditure of £0.583m has been incurred against a budget of £17.677m. At this stage, it is anticipated that there will be slippage of £4.270m, although this position will be reviewed at the end of the year when the Committee will be asked to approve/note the carry forward of resources into the next financial year.

Capital Budget Summary Q1 2019/20

Capital Programme Heading	Estimate 2019/20. £000	Actual to June 2019 £000	Budget Remaining £000	Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2020/21 £000
Brunswick Street - Net Cost of Scheme	3,441	413	3,028	920	1,050	1,058	3,441	-0
Union Street - Net Cost of Scheme	2,085	22	2,062	640	760	662	2,084	0
Indicative Schemes	4,124	76	4,048	2,900			2,976	1,148
Housing - Disabled Facilities Grants	1,570	44	1,526	125	175	250	594	976
Funding								
Temporary Accommodation	3,236		3,236	3,236			3,236	0
Housing Incentives	1,040	6	1,034	50	50	50	156	884
Gypsy Site Improvement Works	42	9	34	34			43	-0
CCTV Upgrade and Relocation	150		150		150		150	
Commercial Waste	180		180	180			180	
Street Scene Investment	147		147		25	25	50	97
Flood Action Plan	1,000		1,000	50	50	100	200	800
Continued Improvements to Play Areas	422	13	410	15	15	15	58	365
Commercial Projects - Crematorium	40	1	39	39			40	0
Projects								
Commercial Projects - Cemetery	100		100		25	75	100	
Chapel Repairs								
Other Parks Improvements	100		100		50	50	100	
Total	17,677	583	17,094	8,189	2,350	2,285	13,407	4,270

Table 3 Capital Expenditure, Communities, Housing & Environment Committee Q1 2019/20

- The Indicative Schemes budget included provision for the purchase of a property initially valued at £1.2m. However this purchase is not proceeding now, so assuming no other purchase opportunities are identified, the budget will be carried forward to 2020/21.
- The Housing Incentives budgets has been historically under-utilised. The proposal with regard to the Housing Incentives budget is to use the forecast under spend to undertake major refurbishment works at the Council owned gypsy sites in order to modernize the facilities and bring both sites up to a good standard, and initial survey works have started. The use of the Housing Incentive budget will be reviewed as part of the upcoming review of the Housing Strategy, due to be completed for 2020.
- The Disabled Facilities Budget appears to be underspent but it is a feature of this grant that adaptations to peoples' homes does not complete neatly within each financial year. The budget is committed against approved grants, which complete on a rolling basis. In addition, part of this grant is used for various initiatives - such as Helping You Home scheme operated in conjunction with Maidstone and Pembury Hospitals.
- The Flood Action Plan work is being developed with the Environment Agency. At this stage the timing of the works has not been confirmed, so it has been assumed that the majority of the budget will be carried forward to 2020/21.
- The Play Area Improvements scheme has been completed, but the budget does include funding for ongoing maintenance and replacements which will only be partly utilised this year so there will be a balance to be slipped into 2020/21.