

First Quarter Financial Update 2021/22

Communities, Housing & Environment Committee

5th October 2021

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Part A

Executive Summary & Overview



This report provides members with the financial position as at 30 June 2021, covering activity for both the Council as a whole and this committee's revenue and capital accounts for the first quarter of 2021/22.

Members will be aware of the significant uncertainty in the 2021/22 budget estimates arising from the ongoing impact of the Covid-19 pandemic, both in relation to demands on the Council to respond and the speed of local economic recovery. Financial support from central government received during 2020/21 continues to support specific activities, and the unringfenced Covid-19 grant of £860,000 will be used to support recovery and renewal activities.

In addition, the Council will shortly be applying for the final round of funding under the government's sales, fees and charges compensation scheme covering income losses between April – June 2021 measured against the 2020/21 income budget. This is expected to be the final allocation of unringfenced Covid-19 funding from central government.

The headlines for Quarter 1 are as follows:

Part B: Revenue budget – Q1 2021/22

- Overall net expenditure at the end of Quarter 1 for the services reporting to this committee is -£0.350m, compared to the approved profiled budget of £0.209m, representing an underspend of £0.558m.

Part C: Capital budget – Q1 2021/22

- Capital expenditure at the end of Quarter 1 was £1.737m against a total budget of £27.166m. Forecast spend for the year is £10.848m.

Part B

First Quarter Revenue Budget 2021/22



B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for CHE services at the end of Quarter 1. The financial figures are presented on an accruals basis (e.g. expenditure for goods and services received, but not yet paid for, is included).

CHE Revenue Budget & Outturn – Quarter 1

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2021 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Parks & Open Spaces	1,007	258	218	41	969	38
Playground Maintenance & Improvements	139	34	-3	37	108	32
Parks Pavilions	37	9	5	5	37	0
Mote Park	260	66	78	-12	260	0
Parks & Open Spaces Leisure Activities	-2	-0	-0	-0	-2	0
Mote Park Leisure Activities	-19	-5	-3	-2	-19	0
Allotments	13	3	3	0	13	0
Cemetery	66	45	5	40	36	30
National Assistance Act	-0	-0	2	-2	-0	0
Crematorium	-839	-171	-296	125	-919	80
Community Safety	28	-8	-7	-1	28	0
PCC Grant - Building Safer Communities	0	-16	-18	2	0	0
C C T V	77	5	1	4	77	0
Drainage	32	8	0	8	32	0
Licences	-5	-1	-2	1	-5	0
Licensing Statutory	-63	-16	-18	2	-63	0
Licensing Non Chargeable	8	2	2	0	8	0
Dog Control	30	5	5	-0	30	0
Health Improvement Programme	10	9	0	9	10	0
Pollution Control - General	13	7	8	-1	13	0
Contaminated Land	1	0	-0	0	1	0
Waste Crime	39	8	8	-0	39	0
Food Hygiene	9	1	-2	3	9	0
Sampling	4	1	0	1	4	0
Occupational Health & Safety	-6	-2	-3	2	-6	0
Infectious Disease Control	1	0	0	0	1	0
Noise Control	1	0	0	0	1	0
Pest Control	-12	-3	-0	-3	-12	0
Public Conveniences	197	49	43	5	197	0
Licensing - Hackney & Private Hire	-61	-17	-13	-5	-61	0
Street Cleansing	1,153	280	260	20	1,153	0
Household Waste Collection	1,245	309	317	-8	1,245	0
Commercial Waste Services	-55	-16	-21	5	-55	0
Recycling Collection	713	-76	-74	-3	713	0
Climate change	26	0	0	0	26	0
Community Hub	0	-13	-0	-13	0	0
Public Health - Obesity	0	0	3	-3	0	0
Public Health - Misc Services	0	0	4	-4	0	0
Grants	166	82	82	1	166	0
Delegated Grants	2	2	1	1	2	0
Parish Services	130	65	67	-2	130	0
General Fund Residential Properties	-76	-19	-18	-1	-76	0

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2021 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Strategic Housing Role	15	3	4	-1	15	0
Housing Register & Allocations	11	9	1	9	11	0
Private Sector Renewal	-47	1	0	1	-47	0
HMO Licensing	-20	-5	-7	1	-20	0
Homeless Temporary Accommodation	398	99	63	36	304	94
Homelessness Prevention	183	-837	-860	23	183	0
Predictive Analysis and Preventing Homelessness	0	0	0	0	0	0
Aylesbury House	15	5	-3	8	15	0
Magnolia House	3	1	-11	12	3	0
St Martins House	0	-1	-1	1	0	0
Marsham Street	61	15	11	4	61	0
Sundry Temporary Accommodation (TA) Properties	-4	2	-5	7	-4	0
Pelican Court (Leased TA Property)	0	0	1	-1	0	0
2 Bed Property - Temporary Accommodation	-44	-11	-11	-0	-44	0
3 Bed Property - Temporary Accommodation	-71	-17	-25	9	-71	0
4 bed Property - Temporary Accommodation	-1	1	-6	7	-1	0
1 Bed Property- Temporary Accommodation	3	1	-1	2	3	0
Housing First Project	0	0	-0	0	0	0
Supported Accommodation	-12	-3	3	-6	-12	0
The Trinity Foyer	3	1	11	-10	3	0
Chillington House	-6	-2	-2	0	-6	0
Long Lease Properties	0	0	-1	1	0	0
Marden Caravan Site (Stilebridge Lane)	19	5	8	-3	19	0
Ulcombe Caravan Site (Water Lane)	7	-1	10	-11	7	0
Head of Environment and Public Realm	110	27	9	19	110	0
Bereavement Services Section	257	65	58	7	257	0
Community Partnerships & Resilience Section	392	82	72	10	392	0
Licensing Section	115	29	26	3	115	0
Environmental Protection Section	272	68	68	-0	272	0
Food and Safety Section	267	67	-95	162	267	0
Depot Services Section	807	201	189	12	807	0
Biodiversity & Climate Change	62	15	13	3	62	0
Head of Housing & Community Services	110	28	27	0	110	0
Homechoice Section	217	-1	-12	11	217	0
Housing & Inclusion Section	420	-135	-112	-23	420	0
Housing & Health Section	275	-57	-78	21	275	0
Housing Management	282	-20	-19	-1	282	0
Homelessness Outreach	4	-274	-265	-8	4	0
Salary Slippage	-194	-48	0	-48	-194	0
Fleet Workshop & Management	225	56	47	10	225	0
MBS Support Crew	-59	-15	-14	-1	-59	0
Grounds Maintenance - Commercial	-131	-33	-74	41	-173	42
Total	8,212	209	-350	558	7,896	316

B1.2 The table shows that at the end of the first quarter overall net expenditure for the services reporting to SPI is -£0.350m, compared to the approved profiled budget of £0.209m, representing an underspend of £0.558m.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the first quarter of the year. The reasons for the more significant variances are explored in section B2 below.

B2) Variances

B2.1 The committee was impacted by the effects of Covid-19. Income from the Crematorium continues to be high due to the ongoing demand for the service, and while demand for temporary accommodation continues there has been a reduction in the cost of providing the service because of the properties that the Council has purchased to specifically deal with this issue.

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
Communities, Housing & Environment Committee	£000		
Crematorium – There continues to be a higher than normal level of demand for the service, and memorial sales are also higher than forecast. It should be noted that the recent rises in gas prices may push up operating costs and this could potentially reduce the forecast year-end variance.	40		80
Homeless Temporary Accommodation – Costs have reduced due to the increase on the Council's own properties that were specifically purchased to deal with homeless families. Use has also been made of other Council and Maidstone Property Holdings properties.	36		94
Food & Safety Section – A number of Covid-related grants are held in this section that have yet to be spent. These are Test & Trace Support, Compliance & Enforcement and Test & Trace Door Knocking Service.	162		0

Part C

First Quarter Capital Budget 2021/22



B1) Capital Budget: Communities, Housing & Environment Committee (CHE)

B1.1 The position of the 2021/22 CHE element of the Capital Programme at the Quarter 1 stage is presented in Table 3 below. The budget for 2021/22 includes resources brought forward from 2020/21.

CHE Capital Programme 2021/22 (@ Quarter 1)

Capital Programme Heading	Adjusted	Actual to June 2021 £000	Budget Remaining £000	Projected			Projected Expenditure £000	Projected Slippage to 2022/23 £000	Budget Not Required £000
	Estimate 2021/22 £000			Q2 Profile £000	Q3 Profile £000	Q4 Profile £000			
Communities, Housing & Environment									
Housing - Disabled Facilities Grants Funding	1,717	163	1,553	200	200	250	813	903	
Temporary Accommodation	3,008	4	3,003		1,000	2,003	3,008		
Brunswick Street	233	183	50	50			233		
Union Street	217	167	50	50			217		
Springfield Mill - Phase 1 & 2	3,066	1,121	1,945	843	964	120	3,049	17	
Granada House Extension	954	2	952				2	952	
Private Rented Sector Housing Programme	12,366	19	12,347	80	322	42	463	11,903	
Affordable Housing Programme	2,384	5	2,379	300	930		1,235	1,149	
Acquisitions Officer - Social Housing Delivery P/ship	74	47	28	56	48	53	204	-129	
Granada House Refurbishment Works	976		976		25	25	50	926	
Street Scene Investment	50		50	20	15	15	50		
Flood Action Plan	244		244	80	80	84	244		
Electric Operational Vehicles	84		84	84			84		
Vehicle Telematics & Camera Systems	35		35	35			35		
Rent & Housing Management IT System	19	4	15	15			19		
Installation of Public Water Fountains	15		15			15	15		
Crematorium & Cemetery Development Plan	378	21	357		157	200	378		
Continued Improvements to Play Areas	200		200	75	50	75	200		
Parks Improvements	149		149	50	50	49	149		
Gypsy & Traveller Sites Refurbishment	1,000	2	998	50	100	250	402	598	
Total	27,166	1,737	25,430	1,989	3,941	3,181	10,848	16,319	

B1.2 Comments on the variances in the table above are as follows:

Granada House Extension and Refurbishment Works – The rooftop extension is no longer going ahead. Some of this budget may be required for the refurbishment works should the cost of the works be greater than currently anticipated. These works are not scheduled to commence until towards the end of the year.

Private Rented Sector Housing and Affordable Housing Programmes – The housing team are working on various projects which are currently at different stages. Expenditure is very much indicative at this stage and expected to increase during the last two quarters of the year once schemes have progressed further and new ones are potentially secured.

Acquisitions Officer Social Housing Delivery Partnership – The overspend is due to an extra resource being required with two acquisition officers now being in post to help deliver the housing capital programme, both of which have had contract extensions. Funding for this will be identified.

Gypsy & Traveller Sites Refurbishment – The tenders for work have come in at £1.8m, which is significantly above the budget for the scheme. It was recommended to Policy & Resources Committee that additional funding of £0.9m be approved from the affordable housing programme budget, which will include an allowance for an increase in the employer's agents costs of £0.1m. The Committee asked for further information and this is addressed in a separate report on this evening's agenda.