

Second Quarter Financial Update 2021/22

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Part A

Executive Summary & Overview



This report provides members with the financial position as at 30 September 2021, covering activity for both the Council as a whole and this committee's revenue and capital accounts for the second 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 2 are as follows:

Part B: Revenue budget – Q2 2021/22

- Overall net expenditure at the end of Quarter 2 for the services reporting to this committee is £1.606m, compared to the approved profiled budget of £2.153m, representing an underspend of £0.546m.

Part C: Capital budget – Q2 2021/22

- Capital expenditure at the end of Quarter 2 was £2.202m against a total budget of £27.166m. Forecast spend for the year is £10.440m.

Part B

Second 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 2. 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 2

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 September 2021 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Parks & Open Spaces	955	487	449	39	933	22
Playground Maintenance & Improvements	149	73	70	3	149	0
Parks Pavilions	37	18	20	-2	37	0
Mote Park	251	126	156	-30	296	-45
Parks & Open Spaces Leisure Activities	-2	-1	-0	-1	-2	0
Mote Park Leisure Activities	-19	-9	-15	6	-19	0
Allotments	13	8	5	2	13	0
Cemetery	66	56	24	32	35	31
National Assistance Act	-0	-0	3	-3	-0	0
Crematorium	-839	-373	-431	58	-897	58
Community Safety	28	-33	-37	4	28	0
PCC Grant - Building Safer Communities	0	-16	-21	5	0	0
C C T V	77	10	10	0	77	0
Drainage	32	16	12	4	32	0
Licences	-5	0	-0	0	-5	0
Licensing Statutory	-63	-31	-59	27	-83	20
Licensing Non Chargeable	8	4	4	0	8	0
Dog Control	30	13	14	-1	30	0
Health Improvement Programme	10	9	0	9	10	0
Pollution Control - General	13	7	9	-2	13	0
Contaminated Land	1	0	-0	1	1	0
Waste Crime	39	23	11	12	39	0
Food Hygiene	9	4	-2	6	9	0
Sampling	4	1	0	1	4	0
Occupational Health & Safety	-6	-3	-4	0	-6	0
Infectious Disease Control	1	1	1	0	1	0
Noise Control	1	0	0	0	1	0
Pest Control	-12	-6	-1	-5	-12	0
Public Conveniences	197	90	109	-20	197	0
Licensing - Hackney & Private Hire	-61	-33	-22	-10	-61	0
Street Cleansing	1,140	560	548	12	1,140	0
Household Waste Collection	1,271	633	624	8	1,271	0
Commercial Waste Services	-55	-29	-47	18	-55	0
Recycling Collection	745	205	196	9	745	0
Climate change	26	0	1	-1	26	0
Community Hub	0	-13	2	-15	0	0
Public Health - Obesity	0	-16	-25	9	0	0
Public Health - Misc Services	0	-3	-1	-2	0	0
Grants	166	83	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	-38	-36	-2	-76	0
Strategic Housing Role	12	-25	-28	2	12	0

Cost Centre	Approved Budget for Year £000	Budget to 30 September 2021 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Housing Register & Allocations	14	11	1	10	14	0
Private Sector Renewal	0	0	0	-0	0	0
HMO Licensing	-47	-49	-50	1	-47	0
Homeless Temporary Accommodation	-20	-10	-14	3	-75	55
Homelessness Prevention	328	129	98	31	229	98
Predictive Analysis and Preventing Homelessness	180	-908	-954	45	180	0
Aylesbury House	0	0	0	0	0	0
Magnolia House	28	14	19	-6	28	0
St Martins House	-1	-1	-13	12	-1	0
Marsham Street	4	2	3	-1	4	0
Sundry Temporary Accommodation (TA) Properties	61	31	24	7	61	0
Pelican Court (Leased TA Property)	-14	-5	-16	11	-14	0
2 Bed Property - Temporary Accommodation	0	0	0	-0	0	0
3 Bed Property - Temporary Accommodation	-16	-8	-7	-1	-16	0
4 bed Property - Temporary Accommodation	-71	-35	-50	15	-71	0
1 Bed Property- Temporary Accommodation	10	5	9	-4	10	0
Housing First Project	3	2	-2	4	3	0
Supported Accommodation	0	0	0	0	0	0
The Trinity Foyer	20	14	25	-11	20	0
Chillington House	-6	-3	-4	1	-6	0
Long Lease Properties	0	0	0	-0	0	0
Marden Caravan Site (Stilebridge Lane)	19	9	15	-6	19	0
Ulcombe Caravan Site (Water Lane)	7	1	20	-20	7	0
Head of Environment and Public Realm	110	55	37	18	110	0
Bereavement Services Section	265	133	122	10	265	0
Community Partnerships & Resilience Section	396	180	175	6	396	0
Licensing Section	115	57	52	5	115	0
Environmental Protection Section	272	136	139	-3	272	0
Food and Safety Section	267	133	0	133	267	0
Depot Services Section	887	445	420	25	887	0
Biodiversity & Climate Change	62	31	21	10	62	0
Head of Housing & Community Services	110	55	55	0	110	0
Homechoice Section	217	72	53	19	217	0
Housing & Inclusion Section	423	-55	-106	52	423	0
Housing & Health Section	277	25	-23	48	277	0
Housing Management	285	82	68	15	285	0
Homelessness Outreach	6	-176	-176	1	6	0
Salary Slippage 3CHE	-194	-97	0	-97	-194	0
Fleet Workshop & Management	225	112	89	23	225	0
MBS Support Crew	-59	-30	-22	-8	-59	0
Grounds Maintenance - Commercial	-141	-70	-92	21	-141	0
Total	8,295	2,153	1,606	546	8,055	240

B1.2 The table shows that at the end of the second quarter overall net expenditure for the services reporting to CHE is £1.606m, compared to the approved profiled budget of £2.153m, representing an underspend of £0.546m.

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

B2) Variances

B2.1 Income from the Crematorium continues to be high due to the ongoing demand for the service, other than that there are no other significant issues in any of the other operational areas for this Committee.

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
Communities, Housing & Environment Committee	£000		
Crematorium – Demand for the service continues to be high. This has led to the need to realign the cremator, and surplus income is being used to fund these works.	58		58
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.	30		55
Homelessness Prevention – There are a number of budgets in this area that are not being fully utilised, the most significant ones being those for the guaranteed rent scheme and the homefinder scheme.	45		98
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.	133		0

Part C

Second 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 2 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	Budget	Projected			
	Estimate	September		Q3 Profile	Q4 Profile	Total	Projected
	2021/22	2021	Remaining	£000	£000	Expenditure	Slippage to
	£000	£000	£000			£000	2022/23
							£000
Communities, Housing & Environment							
Housing - Disabled Facilities Grants Funding	1,717	333	1,384	200	300	833	884
Temporary Accommodation	3,008	6	3,002	750	2,252	3,008	-0
Brunswick Street	233	185	48	48		233	0
Union Street	217	175	42	42		217	-0
Springfield Mill - Phase 1 & 2	3,066	1,129	1,936	1,790	129	3,048	17
Granada House Extension	954	4	950			4	950
Private Rented Sector Housing Programme	12,366	34	12,331	350	50	434	11,931
Affordable Housing Programme	2,384	73	2,311	1,100		1,173	1,211
Acquisitions Officer - Social Housing Delivery P/ship	74	98	-24	49	49	196	-122
Granada House Refurbishment Works	976		976	25	25	50	926
Street Scene Investment	50	22	28	14	14	50	-0
Flood Action Plan	244		244	80	80	160	84
Electric Operational Vehicles	84		84	84		84	
Vehicle Telematics & Camera Systems	35		35	35		35	
Rent & Housing Management IT System	19	7	12	12		19	-0
Installation of Public Water Fountains	15		15		15	15	
Crematorium & Cemetery Development Plan	378	131	247	47	200	378	-0
Continued Improvements to Play Areas	200		200	100	100	200	-0
Parks Improvements	149	1	148	74	74	149	0
Gypsy & Traveller Sites Refurbishment	1,000	3	997	50	100	153	847
Total	27,166	2,202	24,965	4,850	3,388	10,440	16,727

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. Furthermore, the Leader of the Council has recently proposed a scaling up of the Council's investment in housing, and so this additional staffing capacity will support this ambition and will be feature in the imminent capital programme proposals for the next Medium-Term Financial Strategy.

Gypsy & Traveller Sites Refurbishment – The tenders for work have come in at £1.8m, which is significantly above the budget for the scheme. The additional funding for this work was approved by Policy & Resources Committee in October.