

# First Quarter Financial Update 2022/23

Communities, Housing & Environment – Policy Advisory  
Committee

13<sup>th</sup> September 2022

Lead Officer: Mark Green

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# Part A

## Executive Summary & Overview



This report provides members with the financial position as at 30<sup>th</sup> June 2022, covering activity for the Communities, Housing & Environment Policy Advisory Committee's (CHE PAC) revenue and capital accounts for the first quarter of 2022/23.

In 2021/22, income recovered more strongly than expected from the pandemic and the Council generated a modest surplus compared with budget. For 2022/23, there is no more direct government funding to cover the costs of Covid, but the Council has been able to set a balanced budget. Additional provision of £1.3 million was made within the 2022/23 budget for the expected impact of higher inflation on the Council's input costs. The projected peak level of inflation has continued to increase since the budget was set and this is likely to have an impact in particular on contract and energy costs, so the requirement for this provision will be monitored carefully to assess whether it will be adequate. If at any stage it appears that an overspend is likely, measures will need to be taken in-year to bring the budget back into balance.

The headlines for Quarter 1 are as follows:

#### Part B: Revenue budget – Q1 2022/23

- Overall net expenditure at the end of Quarter 1 for the services reporting to CHE PAC is £0.988m, compared to the approved profiled budget of £1.128m, representing an underspend of £0.140m. However, due to ongoing budget pressures the year-end forecast is projecting an overspend of £0.406m.

#### Part C: Capital budget – Q1 2022/23

- Capital expenditure at the end of Quarter 1 was £1.906m against a total budget of £20.080m.

# Part B

# First Quarter Revenue Budget 2022/23



## B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for CHE PAC 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 PAC Revenue Budget & Outturn – Quarter 1

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2022 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Festivals and Events	-25	-23	-28	5	-25	0
Lettable Halls	-3	-1	-3	2	-3	0
Community Halls	47	17	10	7	47	0
Parks & Open Spaces	989	254	215	39	989	0
Playground Maintenance & Improvements	145	35	44	-8	145	0
Parks Pavilions	46	11	1	11	46	0
Mote Park	269	69	68	1	269	0
Allotments	13	3	3	0	13	0
Cemetery	69	46	22	24	69	0
National Assistance Act	-0	-0	-3	3	-0	0
Crematorium	-849	-174	-225	51	-987	138
Community Safety	31	-29	-34	5	31	0
PCC Grant - Building Safer Communities	0	-20	-21	1	0	0
C C T V	39	10	15	-5	39	0
Licences	-5	-1	-3	2	-5	0
Licensing Statutory	-60	-15	-22	7	-60	0
Licensing Non Chargeable	8	2	2	0	8	0
Dog Control	29	4	12	-7	29	0
Health Improvement Programme	5	5	8	-3	5	0
Pollution Control - General	24	13	1	11	24	0
Contaminated Land	1	0	-1	2	1	0
Waste Crime	-1	-2	-3	1	-1	0
Food Hygiene	10	1	-1	2	10	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	-2	-12	0
Public Conveniences	313	79	50	29	263	50
Licensing - Hackney & Private Hire	-59	-17	-29	12	-59	0
Street Cleansing	1,198	291	277	13	1,198	0
Household Waste Collection	1,387	344	386	-41	1,387	0
Commercial Waste Services	-49	-14	-26	12	-49	0
Recycling Collection	912	316	287	29	912	0
Social Inclusion	53	53	53	0	53	0

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2022 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Public Health - Obesity	0	-110	-140	30	-66	66
Public Health - Misc Services	0	-15	-11	-4	0	0
Performance & Development	12	4	0	3	12	0
Press & Public Relations	22	4	2	3	22	0
Grants	166	82	82	1	166	0
Delegated Grants	2	2	0	2	2	0
Parish Services	137	70	70	0	137	0
Strategic Housing Role	12	3	4	-0	12	0
Housing Register & Allocations	14	10	10	-0	14	0
Private Sector Renewal	-47	1	0	1	-47	0
HMO Licensing	-20	-5	-6	1	-20	0
Homeless Temporary Accommodation	287	72	174	-102	946	-659
Homelessness Prevention	182	-336	-337	1	182	0
Aylesbury House	47	12	4	8	47	0
Magnolia House	3	1	-6	7	3	0
St Martins House	0	0	-2	2	0	0
Marsham Street	63	16	18	-2	63	0
Sundry Temporary Accommodation (TA) Properties	-12	-0	-2	2	-12	0
2 Bed Property - Temporary Accommodation	-33	-7	-11	3	-33	0
3 Bed Property - Temporary Accommodation	-71	-17	-24	8	-71	0
4 bed Property - Temporary Accommodation	10	4	-7	11	10	0
1 Bed Property- Temporary Accommodation	-4	-1	1	-2	-4	0
Supported Accommodation	0	0	-0	0	0	0
Trinity	21	3	25	-22	21	0
Chillington House	-6	-1	-2	1	-6	0
Long Lease Properties	0	0	7	-7	0	0
Marden Caravan Site (Stilebridge Lane)	19	5	9	-4	19	0
Ulcombe Caravan Site (Water Lane)	7	-1	13	-14	7	0
Visitor Economy Section	120	30	37	-7	120	0
Head of Environment and Public Realm	134	34	38	-4	134	0
Bereavement Services Section	262	66	66	1	262	0
Community Partnerships & Resilience Section	556	139	97	42	556	0
Licensing Section	126	31	27	5	126	0
Environmental Protection Section	280	70	61	9	280	0
Food and Safety Section	275	69	60	8	275	0
Depot Services Section	969	250	238	12	969	0
Communications Section	199	50	49	1	199	0
Policy & Information Section	402	101	97	3	402	0
Head of Housing & Community Services	114	28	28	1	114	0
Homechoice Section	234	-34	-51	17	234	0
Housing & Inclusion Section	311	-498	-529	31	311	0
Housing & Health Section	285	-120	-128	8	285	0
Housing Management	290	-23	-26	4	290	0
Homelessness Outreach	6	-250	-260	10	6	0
Customer Services Section	697	175	166	9	697	0
Salary Slippage 3CHE	-215	-54	0	-54	-215	0
Fleet Workshop & Management	233	58	40	18	233	0
MBS Support Crew	-58	-15	4	-19	-58	0
Grounds Maintenance - Commercial	-130	-33	54	-87	-130	0
<b>Total</b>	<b>10,424</b>	<b>1,128</b>	<b>988</b>	<b>140</b>	<b>10,829</b>	<b>-406</b>

## CHE Revenue Budget &amp; Outturn – Quarter 1 (By Lead Member)

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2022 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Festivals and Events	-25	-23	-28	5	-25	0
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Community Safety	31	-29	-34	5	31	0
PCC Grant - Building Safer Communities	0	-20	-21	1	0	0
C C T V	39	10	15	-5	39	0
Social Inclusion	53	53	53	0	53	0
Performance & Development	12	4	0	3	12	0
Press & Public Relations	22	4	2	3	22	0
Grants	166	82	82	1	166	0
Delegated Grants	2	2	0	2	2	0
Parish Services	137	70	70	0	137	0
Visitor Economy Section	120	30	37	-7	120	0
Community Partnerships & Resilience Section	556	139	97	42	556	0
Communications Section	199	50	49	1	199	0
Policy & Information Section	402	101	97	3	402	0
Customer Services Section	697	175	166	9	697	0
<b>Sub-Total: Communications &amp; Public Engagement</b>	<b>2,456</b>	<b>664</b>	<b>591</b>	<b>74</b>	<b>2,456</b>	<b>0</b>



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Noise Control	1	0	0	0	1	0
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Fleet Workshop & Management	233	58	40	18	233	0
MBS Support Crew	-58	-15	4	-19	-58	0
Grounds Maintenance - Commercial	-130	-33	54	-87	-130	0
<b>Sub-Total: Environmental Services</b>	<b>6,256</b>	<b>1,725</b>	<b>1,646</b>	<b>79</b>	<b>6,068</b>	<b>188</b>

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1 Bed Property- Temporary Accommodation	-4	-1	1	-2	-4	0
Supported Accommodation	0	0	-0	0	0	0
Trinity	21	3	25	-22	21	0
Chillington House	-6	-1	-2	1	-6	0
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Housing & Inclusion Section	311	-498	-529	31	311	0
Housing & Health Section	285	-120	-128	8	285	0
Housing Management	290	-23	-26	4	290	0
Homelessness Outreach	6	-250	-260	10	6	0
<b>Sub-Total: Housing &amp; Health</b>	<b>1,712</b>	<b>-1,262</b>	<b>-1,249</b>	<b>-13</b>	<b>2,305</b>	<b>-593</b>
<b>Total</b>	<b>10,424</b>	<b>1,128</b>	<b>988</b>	<b>140</b>	<b>10,829</b>	<b>-406</b>

B1.2 The table shows that at the end of the first quarter overall net expenditure for the services reporting to CHE PAC is £0.988m, compared to the approved profiled budget of £1.128m, representing an underspend of £0.140m. However, due to ongoing budget pressures the year-end forecast is projecting an overspend of £0.406m.

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 most significant variances for this Committee are as follows:

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
<b>Communities, Housing &amp; Environment Committee</b>	<b>£000</b>		
<b>Parks &amp; Open Spaces</b> – The Grounds Maintenance team is being restructured and this underspend will be used to fund the costs of that.	37		0
<b>Crematorium</b> – Income is forecast to increase by 5% this year, and some of this additional income will be used to fund grounds maintenance works.	51		138
<b>Public Conveniences</b> - This cost centre was awarded a growth item, to fund the additional costs of the new toilets at Mote Park. The toilets are not yet open, so the additional budget is unspent. The toilets are expected to open in September.	29		50
<b>Household Waste Collection</b> - The variance of this cost centre is caused by the expected rise in the waste collection and recycling contract, which is expected to increase by more the 12% from 1st April. When confirmed the contract will be funded by the additional budget set aside in the contingency for this purpose.		-41	0
<b>Public Health Obesity</b> – The year-end forecast represents unused grant monies that will be carried forward to 2023/24 .	30		65
<b>Homeless Temporary Accommodation</b> - This is due to a surge in the need for temporary accommodation, and this is likely due to, but not limited to the rise in the cost of living at the moment. There are also issues with getting people out of temporary accommodation as soon as possible, and this has proved very difficult. The Housing team are currently looking at how the homefinder scheme can help boost access to more private letting.		-101	-659

# Part C

# First Quarter Capital Budget 2022/23

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

B1.1 The position of the 2022/23 CHE element of the Capital Programme at the Quarter 1 stage is presented in Table 3 below. The budget for 2022/23 includes resources brought forward from 2021/22.

### CHE Capital Programme 2022/23 (@ Quarter 1)

Capital Programme Heading	Adjusted	Actual to June 2022 £000	Budget Remaining £000	Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	Projected	
	Estimate 2022/23 £000						Total Expenditure £000	Projected Slippage to 2023/24 £000
<b>Communities, Housing &amp; Environment</b>								
Housing - Disabled Facilities Grants Funding	1,640	93	1,547	90	210	210	603	1,037
Temporary Accommodation	4,330	10	4,320	285	1,352	1,370	3,017	1,313
Springfield Mill - Phase 2	731	735	-4				735	-4
Private Rented Sector Housing Programme - Scheme B - Maidstone East	688	25	662	74	172	189	460	227
Private Rented Sector Housing Programme - Scheme C - Heather House & Pavilion Building	99	5	94			94	99	-0
Private Rented Sector Housing Programme - Scheme D - King Street	74		74					74
Private Rented Sector Housing Programme - Indicative Schemes	2,323	356	1,967	1,601	63	136	2,155	168
1,000 Homes Affordable Housing Programme - Indicative Schemes	4,305		4,305	1,601	2,786	82	4,469	-164
1,000 Homes Affordable Housing Programme - Maidstone East	1,330		1,330					1,330
1,000 Homes Affordable Housing Programme - King Street	44	29	15				29	15
Market Sale Housing Programme - Heather House & Pavilion Building	515		515			515	515	
Acquisitions Officer - Social Housing Delivery P/ship	160	20	140	45	45	50	160	0
Granada House Refurbishment Works	950	24	926	8		300	332	618
Street Scene Investment	70		70	50	20		70	-0
Flood Action Plan	430		430			100	100	330
Electric Operational Vehicles	84		84		84		84	
Vehicle Telematics & Camera Systems	22		22	22			22	
Rent & Housing Management IT System	11	13	-2				13	-2
Installation of Public Water Fountains	15		15			15	15	
Crematorium & Cemetery Development Plan	137	124	12	13			137	-0
Continued Improvements to Play Areas	126		126	50	50	26	126	-0
Parks Improvements	152	10	142	75	35	32	152	0
Gypsy & Traveller Sites Refurbishment	1,421	424	997	500	497		1,421	-0
Waste Crime Team - Additional Resources	25		25	25			25	
Section 106 funded works - Open Spaces	400	38	362	175	100	87	400	0
<b>Total</b>	<b>20,080</b>	<b>1,906</b>	<b>18,174</b>	<b>4,614</b>	<b>5,413</b>	<b>3,206</b>	<b>15,139</b>	<b>4,941</b>

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

Disabled Facilities Grants – Expenditure is historically less than the committed budget in each year, but unused funding is always carried forward allowing for works to be programmed in over the course of a number of years. A review of the DFG process is currently being undertaken and will feature in the draft new Housing Assistance Policy that will be delivered to the CHE PAC later in the year for commentary before being presented to the Executive.

Temporary Accommodation - This is the funding for the latest phase of property acquisitions to provide accommodation for temporarily homeless families and persons. There have been no acquisitions to date. It is hoped to acquire more properties this year, but it is proving difficult to obtain properties at reasonable valuations given the current overheated housing market.

Private Rented Sector Housing Programme/1,000 Homes Affordable Housing Programme – A number of schemes are at various stages of development at this stage, the main one at present being the Springfield Library site. Expenditure is very much indicative at this stage and expected to increase during the remainder of the year once schemes that are currently at the feasibility stage have progressed further and new sites are potentially secured. Some schemes will also contain elements of both private rented and affordable housing so the costs may change depending on the mix at the sites where this happens.

Granada House Refurbishment Works – The procurement process for the works is now complete and it is anticipated that works will commence in January 2023 and will take 8 months to complete. The unused funding will be carried forward into 2023/24. The costs of the works are likely to exceed the approved budget of £2.0m, so further funding will need to be identified as part of the development of the capital programme for 2023/24 onwards.