

First Quarter Budget Monitoring 2018/19

Communities, Housing and Environment
Committee
18 September 2018
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Executive Summary

This report is intended to provide Members with an overview of performance against revenue and capital budgets and outturn during the first quarter of 2018/19 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 this quarter are as follows:

- For this Committee, there is an underspend against the revenue budget of £0.379m, but this is expected to reduce to an underspend of £238,000 by the end of this financial year.
- The position for the Council as a whole at the end of the first quarter is an underspend against the revenue budgets of £0.831m. At this stage we expect to remain within budget for the year.
- Capital expenditure totaling £0.586m has been incurred between 1 April and 30 June, for the projects which sit within this Committee's remit. This represents slippage of £15.619m.
- Overall capital expenditure totaling £1.671m has been incurred during the first quarter, against a budget of £28.754m.

Revenue Budget

1st Quarter 2018/19



Revenue Spending

At the end of the first quarter, there is an overall positive variance of £0.379m against the revenue budget for this Committee. Based on current information, we are forecasting that this will decrease to an underspend of £0.238m by the end of the year.

As illustrated by the chart below, all committees have kept expenditure within the agreed budget, or have achieved/exceeded their agreed income target this quarter.

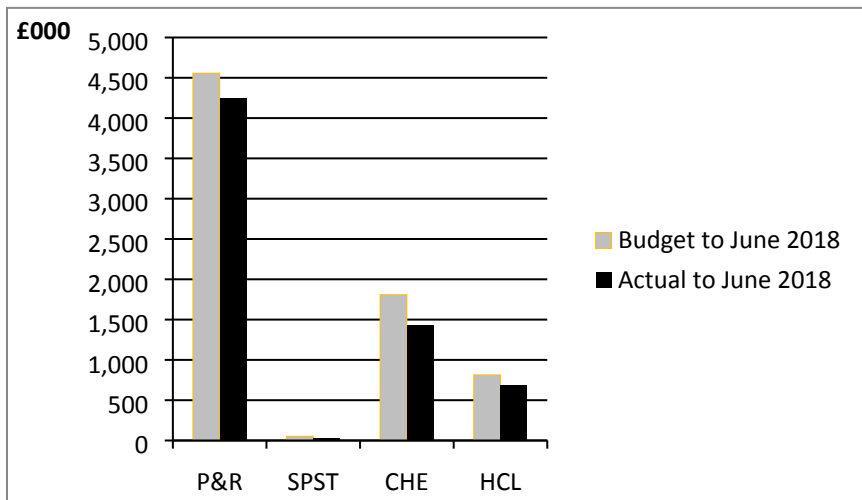


Chart 1 Performance against budget analysed by service committee

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:

- The cost centre description;
- The value of the total budget for the year;
- The amount of the budget expected to be spent by the end of June 2018;
- The actual spend to that date;
- The variance between expected and actual spend;
- The forecast spend to year end; and
- The expected significant variances at 31 March 2019.

The table shows that of a net annual expenditure budget of £8.752m it was expected that £1.809m would be spent up until the end of June. At this point in time the budget is reporting an underspend of £379,000, and the current forecast indicates that the year-end position for this committee will decrease to an underspend of £238,000.

Revenue Budget Summary Q1 2018/19

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre(T)	Budget for Year £000	Budget to 30 June 2018 £000	Actual £000	Variance £000	Forecast 31 March 2019 £000	Forecast Variance 31 March 2019 £000
Community Safety	47	6	4	3	47	0
PCC Grant - Building Safer Communities	4	-13	-15	2	4	0
CCTV	193	48	63	-15	193	0
Drainage	32	8	0	8	32	0
Licences	-4	-1	-1	1	-4	0
Licensing Statutory	-70	-7	-9	2	-70	0
Licensing Non Chargeable	7	2	2	-0	7	0
Dog Control	25	4	3	1	25	0
Health Improvement Programme	9	9	8	1	9	0
Pollution Control - General	233	8	17	-9	233	0
Contaminated Land	0	0	-0	0	0	0
Waste Crime	70	17	6	11	70	0
Food Hygiene	9	1	-1	2	9	0
Sampling	3	1	0	1	3	0
Occupational Health & Safety	48	10	-3	13	48	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	140	34	46	-12	140	0
Licensing - Hackney & Private Hire	-66	-25	-39	14	-66	0
Street Cleansing	953	239	257	-18	953	0
Household Waste Collection	1,161	292	285	8	1,161	0
Commercial Waste Services	-71	-18	-27	9	-71	0
Recycling Collection	719	195	158	37	649	70
Switch Cafe Project	0	0	4	-4	0	0
Social Inclusion	5	1	1	0	5	0
Public Health - Obesity	0	-20	-21	1	0	0
Public Health - Misc Services	39	8	-2	10	39	0
Grants	195	125	102	23	195	0
Delegated Grants	2	2	1	1	2	0
Parish Services	127	64	52	12	127	0
Strategic Housing Role	75	3	3	-0	75	0
Housing Register & Allocations	10	9	1	8	10	0
Private Sector Renewal	-47	1	0	1	-47	0
HMO Licensing	-14	-4	-3	-0	-14	0
Homeless Temporary Accommodation	559	140	108	31	514	45
Homelessness Prevention	578	-271	-322	51	475	103
Aylesbury House	42	11	5	6	42	0
Magnolia House	-2	0	-1	1	-2	0
St Martins House	0	0	1	-1	0	0
Marsham Street	47	12	9	3	47	0
Sundry Temporary Accommodation (TA) Properties	-20	-2	-7	5	-20	0
Pelican Court (Leased TA Property)	0	-18	-18	0	0	0
2 Bed Property - Temporary Accommodation	-11	3	-11	14	-11	0
3 Bed Property - Temporary Accommodation	-10	0	-6	6	-10	0
4 bed Property - Temporary Accommodation	-9	-1	-3	1	-9	0
Marden Caravan Site (Stilebridge Lane)	19	5	-5	10	19	0
Ulcombe Caravan Site (Water Lane)	7	-1	-3	2	7	0
Head of Environment and Public Realm	92	23	22	1	92	0
Community Partnerships & Resilience Section	515	129	120	8	515	0
Licensing Section	107	27	24	3	107	0
Environmental Protection Section	241	60	60	-0	241	0
Food and Safety Section	250	62	62	0	250	0
Depot Services Section	653	163	144	19	653	0
Head of Housing & Community Services	105	26	26	0	105	0
Homechoice	200	50	47	3	200	0
Housing & Inclusion Section	648	163	152	11	648	0
Housing & Health Section	251	63	66	-3	251	0
Housing Management	0	-20	-20	0	0	0
Fleet Workshop & Management	679	170	175	-5	679	0
MBS Support Crew	-71	-18	-26	9	-71	0
Grounds Maintenance - Commercial	57	37	-54	91	37	20
Totals	8,752	1,809	1,430	379	8,514	238

Table 1 Revenue Budget Position, Q1 2018/19 – Communities, Housing and 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		
Recycling Collection – There has been an underspend in running costs and an increase in income from garden waste bin hire from increased demand.	37		70
Homeless Temporary Accommodation – Demand for this service continues to increase, following the introduction of the Homelessness Reduction Act which became law in April 2018. The underspend reflects the Council’s strategy of investing in its own properties for temporary accommodation, which means that income is retained by the Council. Surplus budgets will be set aside and reinvested into the ongoing maintenance of these properties.	31		45
Homelessness Prevention – The forecast year end variance reflects potential underspends including £60,000 on the Homefinder scheme.	51		103
Grounds Maintenance Commercial - Income in the first quarter is higher than forecast due to Section 106 works that have been completed. However additional income is earmarked to fund remedial works at the Parkwood Depot.	91		20

Table 2 Significant Variances – Communities, Housing and Environment Committee

Capital Budget

1st Quarter 2018/19



Capital Spending

The five year capital programme for 2018/19 onwards was approved by Council on 7 March 2018. Funding for the programme remains consistent with previous decisions of Council in that the majority of capital resources come from New Homes Bonus along with a small grants budget.

Progress made towards delivery of planned projects for 2018/19 is set out in the table below. The budget figure includes resources which have been brought forward from 2017/18, and these have been added to the agreed budget for the current year.

To date, expenditure totaling £0.586m has been incurred against a budget of £16.205m. At this stage, it is anticipated that there will be slippage of £5.942m, 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 2018/19

Capital Programme Heading	Adjusted Estimate 2018/19 £000	Actual to June 2017 £000	Budget Remaining £000	Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000
Communities, Housing & Environment							
Housing Development and Regeneration	9,301		9,301	1,036	1,554	1,554	4,144
Temporary Accommodation	4,683	533	4,150	2,500	1,650		4,683
Disabled Facilities Grants	1,348	41	1,307	100	250	250	641
Flood Action Plan	501		501			501	501
Public Realm Capital Improvements	150	12	138	20	20	20	72
Commercial Waste	180		180			180	180
Gypsy Site Fencing Works	42		42			42	42
Total	16,205	586	15,619	3,656	3,474	2,547	10,263

Table 3 Capital Expenditure, Q1 2018/19

- The Housing Development and Regeneration scheme includes the developments at Union Street and Brunswick Street which are both in the early stages of development, which means that there is likely to be significant slippage of the budget into 2019/20.
- The Temporary Accommodation budget will be fully utilised to purchase properties to house homeless families. The purchases of 15 properties are either completed or in progress and a further 2 are likely to be purchased when suitable ones are identified.