

# Fourth Quarter Budget Monitoring 2018/19

Communities, Housing and Environment  
Committee

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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 for the 2018/19 financial year for the services that fell within the remit of this Committee.

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 year are as follows:

- For this Committee, there is an underspend against the revenue budget of £402,000, including resources to be carried forward.
- Capital expenditure totalling £9.196m has been incurred during 2018/19 for the projects which sat within the remit of this Committee. This represents slippage of £2.994m.

# Revenue Budget 2018/19

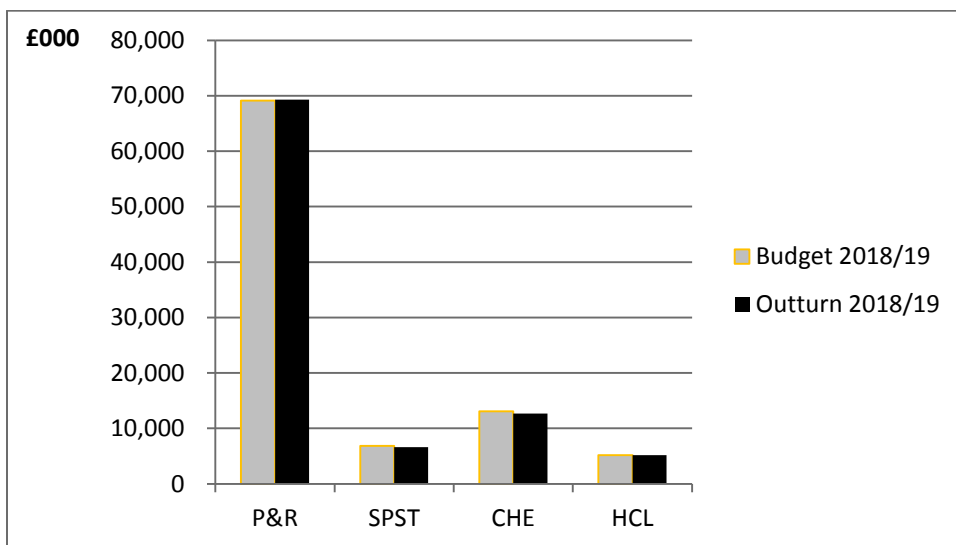


## Revenue Spending

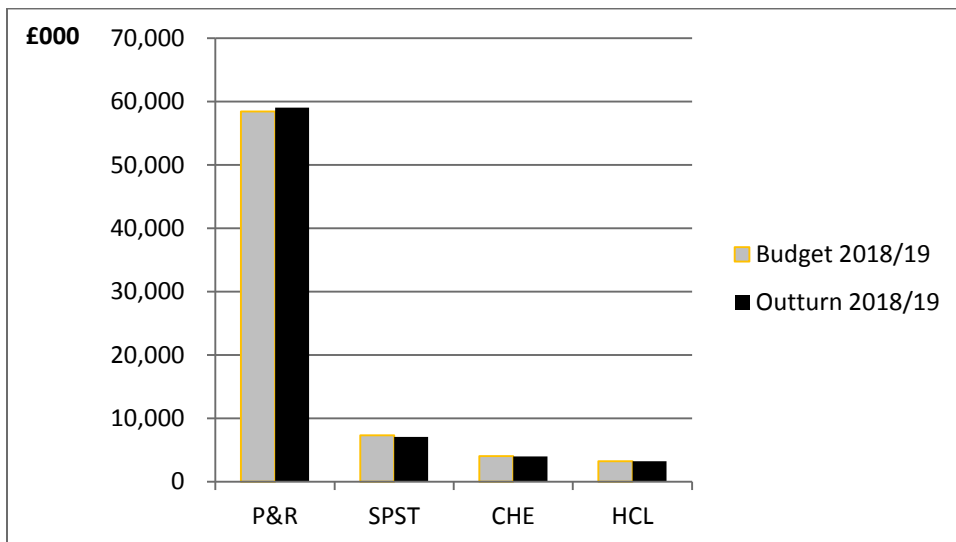
At the end of the year, there is an overall positive variance of £402,000 against the revenue budget for this Committee, of which £340,000 represents unspent grants to be carried forward, leaving a net variance of £62,000.

The budgets for each service committee now include a figure for assumed salary slippage to reflect the forecast level of vacant posts across the year. This was previously shown as a figure for the whole Council as part of the budget monitoring report for this Committee.

As illustrated by the chart below all committees stayed within their expenditure budgets with the exception of Policy & Resources Committee, although this is offset by income in excess of the budget figure. The remaining committees have all underachieved on their income budgets.



**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 the Committee's services at the end of 2018/19. 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 actual spend to that date;
- d) The variance between expected and actual spend;

The table shows that £8.661m was spent against a net annual expenditure budget of £9.063m, representing an underspend of £402,000, including £340,000 of grants to be carried forward.

## Revenue Budget Summary Q4 2018/19

Cost Centre	Budget for Year	Outturn	Variance
	£000	£000	£000
Community Safety	50,580	41,137	9,443
PCC Grant - Building Safer Communities	0	0	0
C C T V	198,650	270,591	-71,941
Drainage	31,720	15,963	15,757
Licences	-6,850	-12,107	5,257
Licensing Statutory	-67,840	-74,360	6,520
Licensing Non Chargeable	7,350	7,586	-236
Dog Control	27,980	41,090	-13,110
Health Improvement Programme	8,980	7,500	1,480
Pollution Control - General	263,070	210,609	52,461
Contaminated Land	20	349	-329
Waste Crime	27,580	-14,736	42,316
Food Hygiene	9,050	-3,312	12,362
Sampling	3,370	0	3,370
Occupational Health & Safety	48,230	-8,536	56,766
Infectious Disease Control	1,030	1,030	0
Noise Control	1,200	729	471
Pest Control	-11,970	-12,000	30
Public Conveniences	171,700	192,937	-21,237
Licensing - Hackney & Private Hire	-66,050	-63,686	-2,364
Street Cleansing	1,253,730	1,275,085	-21,355
Household Waste Collection	1,122,490	1,164,181	-41,691
Commercial Waste Services	-56,190	-73,156	16,966
Recycling Collection	694,930	933,939	-239,009
Switch Cafe Project	0	4,026	-4,026
Social Inclusion	5,100	1,526	3,574
Public Health - Obesity	0	0	0
Public Health - Misc Services	2,380	0	2,380
Grants	195,270	199,800	-4,530
Delegated Grants	2,100	1,505	595
Parish Services	127,320	126,120	1,200
Members Community Grant	40,400	40,402	-2
Strategic Housing Role	49,700	7,138	42,562
Housing Register & Allocations	10,200	13,895	-3,695
Private Sector Renewal	-47,320	-50,000	2,680
HMO Licensing	-14,380	-46,074	31,694
Homeless Temporary Accommodation	621,520	615,856	5,664
Homelessness Prevention	531,330	117,211	414,119
Predictive Analysis and Preventing Homelessness	73,000	73,000	0
Aylesbury House	43,530	51,154	-7,624
Magnolia House	-9,070	-9,070	0
St Martins House	0	1,133	-1,133
Marsham Street	4,370	2,583	1,787

Cost Centre	Budget for Year	Outturn	Variance
	£000	£000	£000
Sundry Temporary Accommodation (TA) Properties	-33,310	-33,304	-6
Pelican Court (Leased TA Property)	1,150	-6,688	7,838
2 Bed Property - Temporary Accommodation	-47,330	-47,330	0
3 Bed Property - Temporary Accommodation	-21,630	-21,653	23
4 bed Property - Temporary Accommodation	-17,770	-18,445	675
1 Bed Property- Temporary Accommodation	100	0	100
Housing First Project	0	0	0
Marden Caravan Site (Stilebridge Lane)	19,010	19,148	-138
Ulcombe Caravan Site (Water Lane)	6,900	10,575	-3,675
Head of Environment and Public Realm	109,100	103,610	5,490
Community Partnerships & Resilience Section	592,430	522,448	69,982
Licensing Section	121,900	112,098	9,802
Environmental Protection Section	240,410	217,032	23,378
Food and Safety Section	249,140	289,119	-39,979
Depot Services Section	766,560	772,826	-6,266
Head of Housing & Community Services	122,720	125,048	-2,328
Homechoice Section	229,350	217,373	11,977
Housing & Inclusion Section	640,180	633,518	6,662
Housing & Health Section	347,950	330,199	17,751
Housing Management	221,070	194,012	27,058
Homelessness Outreach	55,680	44,957	10,723
Salary Slippage 3CHE	-93,100	0	-93,100
Fleet Workshop & Management	274,200	346,521	-72,321
MBS Support Crew	-52,880	-46,257	-6,623
Grounds Maintenance - Commercial	-17,180	-154,953	137,773
	<b>9,062,860</b>	<b>8,660,892</b>	<b>401,968</b>

**Table 1 Revenue Budget Position 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, and the table below provides further detail regarding these variances.

	Positive Variance Q4	Adverse Variance Q4	Year End Variance
<b>Communities, Housing and Environment Committee</b>	<b>£000</b>		
<b>CCTV</b> – This variance is a combination of a budget strategy savings target that has not been realised along with a shortfall in income.		-72	
<b>Pollution Control – General</b> – There is an unused grant of £37,000 that will be carried forward to 2019/20.	52		
<b>Waste Crime</b> – This variance was mainly caused by unspent running costs budgets.	42		
<b>Occupational Health &amp; Safety</b> – This was due to an unspent professional services budget. Costs in this area fluctuate depending on whether there are Health & Safety cases requiring investigation.	57		
<b>Household Waste Collection</b> – Additional wheeled bins were purchased during the year and this has led to the overspend in this area.		-42	
<b>Recycling Collection</b> – The overspend in this area was caused by a one-off adjustment of £0.341m to move from a cash basis of accounting, where all income is taken when money is received, to an accruals basis, where it is attributed to the period when it is earned. This was necessary to comply with the requirements of a new accounting standard.		-239	
<b>Strategic Housing Role</b> - There is an unused grant of £36,000 that will be carried forward to 2019/20.	42		
<b>HMO Licensing</b> – This variance is a result of licences paid in advance which has led to excess income being received.	32		
<b>Homelessness Prevention</b> – There has been an underspend in the homefinder scheme and the deposit bond scheme budgets. There are also unused grants of £260,000 that will be carried forward to 2019/20.	414		
<b>Community Partnerships &amp; Resilience Section</b> – This variance was mainly down to vacant staff posts, along with an underspend in the standby payment budget.	70		
<b>Fleet Workshop &amp; Management</b> – The workshop service has now been outsourced but delays in the start date meant work had to be undertaken by local garages at a greater expense. There is also an unrealised budget strategy saving of £50,000.		-72	
<b>Grounds Maintenance – Commercial</b> – Additional income has been generated in this area from section 106 funded works, capital projects and other external works.	138		

<b>Salary Slippage</b> - Assumed saving from normal level of turnover in staff. The actual savings are reflected in individual cost centres.		-93	
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Table 2 Significant Variances – Communities, Housing and Environment Committee

# Capital Budget 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.

The outturn position for 2018/19 is set out in the table below. For the year expenditure totaling £9.196m has been incurred against a budget of £12.189m, which represents slippage of £2.994m.

### Capital Budget Summary 2018/19

Capital Programme Heading	Revised Estimate 2018/19 £000	Outturn 2018/19 £000	Budget Remaining £000	Budget Not Required £000
Housing Incentives	1,041	26	1,015	
Housing - Disabled Facilities Grants Funding	1,348	578	770	
Housing Investments	4,683	4,446	236	
Purchase of Lenworth House	2,228	2,415	-187	
Brunswick Street - Costs of Scheme	1,642	980	661	
Union Street - Costs of Scheme	917	720	197	
Commercial Waste	180		180	
Street Scene Investment	151	29	122	
<b>Total</b>	<b>12,189</b>	<b>9,196</b>	<b>2,994</b>	

**Table 3 Capital Expenditure 2018/19**

- The Housing Incentives budget has historically been under-utilised and is being reviewed to reset it to a more realistic level.
- The unused Disabled Facilities Grant budget will be rolled forward for use in 2019/20.
- The second phase of the Housing Investments for temporary accommodation project is complete and the unused budget will be carried forward to be included within the budget for phase 3.
- The purchase of Lenworth House was completed in the fourth quarter, however additional works were required to complete the project as well as professional fees that were not allowed for in the initial project budget.
- The construction phase of the Brunswick Street and Union Street developments is now under way.
- The Commercial Waste budget is for the purchase of a new vehicle. The purchase date has slipped to 2019/20.