

# Second Quarter Financial Update 2022/23

Communities, Housing & Environment – Policy Advisory  
Committee

15<sup>th</sup> November 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> September 2022, covering activity for the Communities, Housing & Environment Policy Advisory Committee's (CHE PAC) revenue and capital accounts for the second 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 2 are as follows:

#### Part B: Revenue budget – Q2 2022/23

- Overall net expenditure at the end of Quarter 2 for the services reporting to this committee is £4.351m, compared to the approved profiled budget of £4.037m, representing an underspend of £0.315m. However, the forecast for the end of the year shows a projected overspend of £0.455m.

#### Part C: Capital budget – Q2 2022/23

- Capital expenditure at the end of Quarter 2 was £6.558m against a total budget of £20.080m.

# Part B

# Second Quarter Revenue Budget 2022/23



## B2) Revenue Budget

B1.1 The table below provides a detailed summary of the budgeted net income position for CHE PAC 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). An analysis by the relevant Lead Members for this Committee is also shown.

### CHE Revenue Budget & Outturn – Quarter 2

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 September 2022 £000	Actual £000	Variance £000	Forecast 31 March 2023 £000	Forecast Variance 31 March 2023 £000
Festivals and Events	-25	-24	-42	18	-25	0
Lettable Halls	-3	-2	-6	5	-3	0
Community Halls	47	26	11	16	47	0
Parks & Open Spaces	934	479	471	7	934	0
Playground Maintenance & Improvements	145	71	75	-5	145	0
Parks Pavilions	46	23	13	10	46	0
Mote Park	269	135	151	-15	269	0
Allotments	13	8	6	2	13	0
Cemetery	34	43	10	33	34	0
National Assistance Act	-0	-0	-1	1	-0	0
Crematorium	-878	-390	-436	46	-878	0
Community Safety	31	-80	-83	3	31	0
PCC Grant - Building Safer Communities	0	-22	-19	-3	0	0
C C T V	39	20	18	2	39	0
Licences	-5	3	-6	9	-5	0
Licensing Statutory	-60	-30	-64	33	-104	43
Licensing Non Chargeable	8	4	4	0	8	0
Dog Control	29	12	29	-17	29	0
Health Improvement Programme	5	5	8	-3	5	0
Pollution Control - General	24	8	-1	9	24	0
Contaminated Land	1	0	-4	5	1	0
Waste Crime	-1	3	-7	10	-1	0
Food Hygiene	10	4	-2	6	10	0
Sampling	4	2	0	1	4	0
Occupational Health & Safety	-6	-3	-6	2	-6	0
Infectious Disease Control	1	1	1	0	1	0
Noise Control	1	0	0	0	1	0
Pest Control	-12	-6	-2	-4	-12	0
Public Conveniences	313	156	86	70	218	95
Licensing - Hackney & Private Hire	-59	-32	-42	10	-59	0
Street Cleansing	1,182	581	563	18	1,182	0
Household Waste Collection	1,477	741	767	-26	1,537	-60
Commercial Waste Services	-51	-27	-52	25	-51	0
Recycling Collection	1,016	684	642	42	951	65
Social Inclusion	53	53	53	0	53	0
Public Health - Obesity	0	-102	-102	-0	0	0
Public Health - Misc Services	0	-13	-17	4	0	0
Performance & Development	42	10	8	3	42	0
Press & Public Relations	22	19	34	-14	22	0

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 September 2022 £000	Actual £000	Variance £000	Forecast 31 March 2023 £000	Forecast Variance 31 March 2023 £000
Grants	166	83	82	1	166	0
Delegated Grants	2	2	0	2	2	0
Parish Services	137	70	70	0	137	0
Strategic Housing Role	12	7	4	3	12	0
Housing Register & Allocations	14	11	10	1	14	0
Private Sector Renewal	-47	-49	-50	1	-47	0
HMO Licensing	-20	-10	-13	3	-20	0
Homeless Temporary Accommodation	287	144	401	-258	886	-599
Homelessness Prevention	182	-161	-159	-2	182	0
Predictive Analysis and Preventing Homelessness	0	0	2	-2	0	0
Aylesbury House	47	23	3	20	47	0
Magnolia House	3	2	-11	12	3	0
St Martins House	0	0	-1	1	0	0
Marsham Street	63	32	22	9	63	0
Sundry Temporary Accommodation (TA) Properties	-12	-4	-18	13	-12	0
2 Bed Property - Temporary Accommodation	-33	-17	-25	8	-33	0
3 Bed Property - Temporary Accommodation	-71	-35	-33	-2	-71	0
4 bed Property - Temporary Accommodation	10	6	-11	17	10	0
1 Bed Property- Temporary Accommodation	-4	-2	-3	1	-4	0
Trinity	51	129	125	4	51	0
Chillington House	-6	-3	-3	0	-6	0
Long Lease Properties	0	0	17	-17	0	0
Marden Caravan Site (Stilebridge Lane)	19	9	17	-8	19	0
Ulcombe Caravan Site (Water Lane)	7	1	24	-23	7	0
Visitor Economy Section	156	78	77	1	156	0
Head of Environment and Public Realm	116	59	56	3	116	0
Bereavement Services Section	294	147	137	11	294	0
Community Partnerships & Resilience Section	514	256	202	54	514	0
Licensing Section	126	63	49	14	126	0
Environmental Protection Section	280	140	111	29	280	0
Food and Safety Section	275	137	134	3	275	0
Depot Services Section	906	466	442	24	906	0
Communications Section	241	120	114	6	241	0
Policy & Information Section	481	195	212	-17	481	0
Head of Capital Projects	0	0	0	0	0	0
Head of Housing & Community Services	114	57	52	5	114	0
Homechoice Section	234	55	24	31	234	0
Housing & Inclusion Section	343	-213	-276	63	343	0
Housing & Health Section	285	9	-6	15	285	0
Housing Management	258	53	42	12	258	0
Homelessness Outreach	6	-193	-207	14	6	0
Customer Services Section	686	344	316	28	686	0
Salary Slippage 3CHE	-215	-108	0	-108	-215	0
Fleet Workshop & Management	233	116	100	16	233	0
MBS Support Crew	-58	-29	-50	21	-58	0
Grounds Maintenance - Commercial	1	0	0	-0	1	0
<b>Totals</b>	<b>10,727</b>	<b>4,351</b>	<b>4,037</b>	<b>315</b>	<b>11,182</b>	<b>-455</b>

## CHE Revenue Budget &amp; Outturn – Quarter 2 (By Lead Member)

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year	Budget to 30 September 2022	Actual	Variance	Forecast 31 March 2023	Forecast Variance 31 March 2023
Festivals and Events	-25	-24	-42	18	-25	0
Lettable Halls	-3	-2	-6	5	-3	0
Community Halls	47	26	11	16	47	0
Community Safety	31	-80	-83	3	31	0
PCC Grant - Building Safer Communities	0	-22	-19	-3	0	0
C C T V	39	20	18	2	39	0
Social Inclusion	53	53	53	0	53	0
Performance & Development	42	10	8	3	42	0
Press & Public Relations	22	19	34	-14	22	0
Grants	166	83	82	1	166	0
Delegated Grants	2	2	0	2	2	0
Parish Services	137	70	70	0	137	0
Visitor Economy Section	156	78	77	1	156	0
Community Partnerships & Resilience Section	514	256	202	54	514	0
Communications Section	241	120	114	6	241	0
Policy & Information Section	481	195	212	-17	481	0
Customer Services Section	686	344	316	28	686	0
<b>Sub-Total - Communications &amp; Public Engagement</b>	<b>2,589</b>	<b>1,150</b>	<b>1,046</b>	<b>104</b>	<b>2,589</b>	<b>0</b>



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Allotments	13	8	6	2	13	0
Cemetery	34	43	10	33	34	0
National Assistance Act	-0	-0	-1	1	-0	0
Crematorium	-878	-390	-436	46	-878	0
Licences	-5	3	-6	9	-5	0
Licensing Statutory	-60	-30	-64	33	-104	43
Licensing Non Chargeable	8	4	4	0	8	0
Dog Control	29	12	29	-17	29	0
Health Improvement Programme	5	5	8	-3	5	0
Pollution Control - General	24	8	-1	9	24	0
Contaminated Land	1	0	-4	5	1	0
Waste Crime	-1	3	-7	10	-1	0
Food Hygiene	10	4	-2	6	10	0
Sampling	4	2	0	1	4	0
Occupational Health & Safety	-6	-3	-6	2	-6	0
Infectious Disease Control	1	1	1	0	1	0
Noise Control	1	0	0	0	1	0
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Public Conveniences	313	156	86	70	218	95
Licensing - Hackney & Private Hire	-59	-32	-42	10	-59	0
Street Cleansing	1,182	581	563	18	1,182	0
Household Waste Collection	1,477	741	767	-26	1,537	-60
Commercial Waste Services	-51	-27	-52	25	-51	0
Recycling Collection	1,016	684	642	42	951	65
Head of Environment and Public Realm	116	59	56	3	116	0
Bereavement Services Section	294	147	137	11	294	0
Licensing Section	126	63	49	14	126	0
Environmental Protection Section	280	140	111	29	280	0
Food and Safety Section	275	137	134	3	275	0
Depot Services Section	906	466	442	24	906	0
Head of Capital Projects	0	0	0	0	0	0
Salary Slippage 3CHE	-215	-108	0	-108	-215	0
Fleet Workshop & Management	233	116	100	16	233	0
MBS Support Crew	-58	-29	-50	21	-58	0
Grounds Maintenance - Commercial	1	0	0	-0	1	0
<b>Sub-Total - Environmental Services</b>	<b>6,396</b>	<b>3,466</b>	<b>3,182</b>	<b>284</b>	<b>284</b>	<b>284</b>

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year	Budget to 30 September 2022	Actual	Variance	Forecast 31 March 2022	Forecast Variance 31 March 2022
Public Health - Obesity	0	-102	-102	-0	0	0
Public Health - Misc Services	0	-13	-17	4	0	0
Strategic Housing Role	12	7	4	3	12	0
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Private Sector Renewal	-47	-49	-50	1	-47	0
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St Martins House	0	0	-1	1	0	0
Marsham Street	63	32	22	9	63	0
Sundry Temporary Accommodation (TA) Properties	-12	-4	-18	13	-12	0
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3 Bed Property - Temporary Accommodation	-71	-35	-33	-2	-71	0
4 bed Property - Temporary Accommodation	10	6	-11	17	10	0
1 Bed Property- Temporary Accommodation	-4	-2	-3	1	-4	0
Trinity	51	129	125	4	51	0
Chillington House	-6	-3	-3	0	-6	0
Long Lease Properties	0	0	17	-17	0	0
Marden Caravan Site (Stilebridge Lane)	19	9	17	-8	19	0
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Homechoice Section	234	55	24	31	234	0
Housing & Inclusion Section	343	-213	-276	63	343	0
Housing & Health Section	285	9	-6	15	285	0
Housing Management	258	53	42	12	258	0
Homelessness Outreach	6	-193	-207	14	6	0
<b>Sub-Total - Housing &amp; Health</b>	<b>1,742</b>	<b>-265</b>	<b>-191</b>	<b>-74</b>	<b>2,340</b>	<b>-599</b>
<b>Total</b>	<b>10,727</b>	<b>4,351</b>	<b>4,037</b>	<b>315</b>	<b>5,213</b>	<b>-314</b>

B1.2 The table shows that at the end of the second quarter overall net expenditure for the services reporting to CHE PAC is £4.351m, compared to the approved profiled budget of -£4.037m, representing an underspend of £0.315m. However, the forecast for the end of the year shows a projected overspend of £0.455m.

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 The most significant variances for this Committee are as follows:

	Positive Variance Q2	Adverse Variance Q2	Year End Forecast Variance
<b>Communities, Housing &amp; Environment Committee</b>	<b>£000</b>		
<b>Public Conveniences</b> – This variance relates to a growth item for the cost of the new toilets at Mote Park. These are not yet open, so the budget is unspent. There is no confirmed handover date, the forecast assumes it will be in December.	70		95
<b>Household Waste Collection</b> – The overspend relates to additional bin purchases and the costs of a consultant for the waste contract renewal.		-26	-60
<b>Recycling Collection</b> – There has been additional income from green bin hire.	42		65
<b>Homeless Temporary Accommodation</b> – There has been a significant increase in the demand for temporary accommodation, and this is due mainly to the rise in the cost of living over the last few months. There are also issues with getting people out of temporary accommodation as soon as possible, this has proved very difficult. Housing are currently looking at how the Homefinder scheme can help boost access to more private letting.		-258	-599

# Part C

# Second Quarter Capital Budget 2022/23



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

B1.1 The position of the 2022/23 CHE element of the Capital Programme at the Quarter 2 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 2)

Capital Programme Heading	Adjusted Estimate 2022/23 £000	Actual to September 2022 £000	Budget Remaining £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2023/24 £000
<b>Communities, Housing &amp; Environment</b>							
Housing - Disabled Facilities Grants Funding	1,640	410	1,230	200	200	810	830
Temporary Accommodation	4,330	10	4,320	1,635	662	2,307	2,023
Springfield Mill - Phase 2	731	733	-3			733	-3
Private Rented Sector Housing Programme - Scheme B - Maidstone East	688	87	601	172	243	501	186
Private Rented Sector Housing Programme - Scheme C - Heather House & Pavilion Building	99	17	82	5	5	27	72
Private Rented Sector Housing Programme - Scheme D - King Street	74		74				74
Affordable Housing Programme - Trinity Place	500	203	297			203	297
Private Rented Sector Housing Programme - Indicative Schemes	2,323	1,554	769	63	136	1,752	571
1,000 Homes Affordable Housing Programme - Indicative Schemes	4,805	2,305	2,500	2,786	82	5,174	-369
1,000 Homes Affordable Housing Programme - Maidstone East	330		330				330
1,000 Homes Affordable Housing Programme - King Street	44	32	12			32	12
Market Sale Housing Programme - Heather House & Pavilion Building	515		515	10		10	505
Acquisitions Officer - Social Housing Delivery P/ship	160	96	64	32	32	160	
Granada House Refurbishment Works	950	37	913		286	323	627
Street Scene Investment	70	28	42	21	21	70	
Flood Action Plan	430		430		50	50	380
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	209	-72			209	-72
Continued Improvements to Play Areas	126		126	63	63	126	
Parks Improvements	152	34	118	59	59	152	0
Gypsy & Traveller Sites Refurbishment	1,421	732	689	600	89	1,421	-0
Waste Crime Team - Additional Resources	25		25	25		25	
Section 106 funded works - Open Spaces	400	57	343	172	172	400	
<b>Total</b>	<b>20,080</b>	<b>6,558</b>	<b>13,522</b>	<b>5,948</b>	<b>2,114</b>	<b>14,619</b>	<b>5,461</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, as house prices start to retreat from the elevated levels reached during Summer 2022.

Private Rented Sector Housing Programme/1,000 Homes Affordable Housing Programme – A number of schemes are at various stages of development at this stage. 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.

The overspend shown against the 1,000 Homes Affordable Housing Programme Indicative Schemes budget reflects two proposed acquisitions which should take place in the third quarter. There are projected underspends against other projects this year which will cover this cost, and the cost is factored into the overall five-year programme.

Market Sale Housing Programme – Heather House & Pavilion Building – A planning application has been submitted and will be considered later this month. Subject to approval work is expected to start on site next year.

Granada House Refurbishment Works – A procurement process for the works is under way. It is hoped that works will commence before the end of the financial year, with any unused funding being carried forward into 2023/24.

Crematorium & Cemetery Development Plan – It was identified earlier this year that there was an urgent need to resurface some of the footpaths at the cemetery, which is why this budget is showing as overspent. Funding for this work will come from income at the crematorium, which is performing above the budgeted level this year.