

# Second 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 during the second 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 at the end of the second quarter. An underspend of £290,000 is projected by the end of this financial year.
- The position for the Council as a whole at the end of the second quarter is an underspend against the revenue budgets of £1.6m. This figure includes a number of large grants received that will be carried forward into 2019/20. We do however expect to remain within budget for the year at this stage.
- Capital expenditure totaling £3.42m has been incurred between 1 April and 30 September, for the projects which sit within this Committee's remit. At this stage, it is anticipated that there will be slippage of £5.807m into 2019/20.
- Overall capital expenditure totaling £5.914m has been incurred between 1 April and 30 September, against a budget of £28.754m.

# Revenue Budget

## 2<sup>nd</sup> Quarter

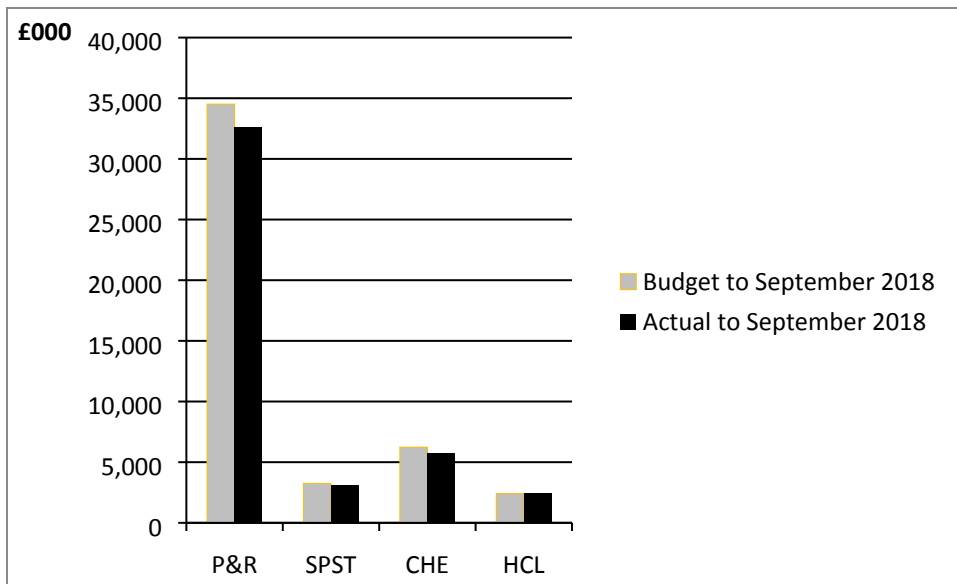
### 2018/19



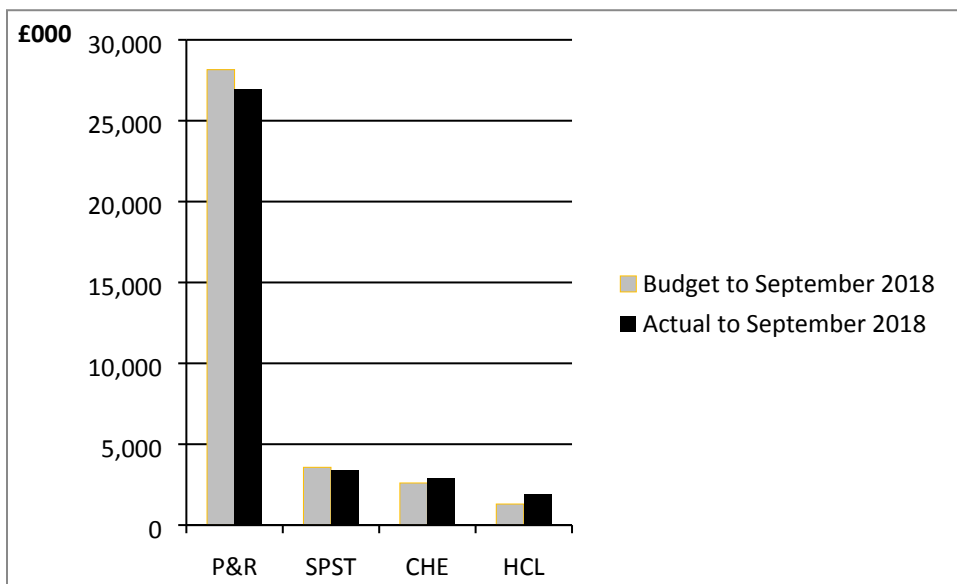
## Revenue Spending

At the end of the second quarter, there is an overall positive variance of £0.792m against the revenue budget for this Committee. This figure incorporates a number of grants which we are anticipating will be carried forward into 2019/20. Based on current information, we are forecasting that this will decrease to an underspend of £0.290m by the end of the year.

As illustrated by the chart below, all committees have kept expenditure within the agreed budget, however two Committees are showing a shortfall against their income budgets. The specific issues for this Committee are discussed later in this report.



**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 this Committee's services during the second 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:

- a) The cost centre description;
- b) The value of the total budget for the year;
- c) The amount of the budget expected to be spent by the end of September 2018;
- d) The actual spend to that date;
- e) The variance between expected and actual spend;
- f) The forecast spend to year end; and
- g) The expected significant variances at 31 March 2019.

The table shows that of a net annual expenditure budget of £8.665m it was expected that £3.636m would be spent up until the end of September. At this point in time the budget is reporting an underspend of £792,000, and the current forecast indicates that the year-end position for this committee will decrease to an underspend of £290,000.



## Revenue Budget Summary Q2 2018/19

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre(T)	Budget for Year £000	Budget to 30 September 2018 £000	Actual £000	Variance £000	Forecast 31 March 2019 £000	Forecast Variance 31 March 2019 £000
Community Safety	50	19	6	14	50	0
PCC Grant - Building Safer Communities	0	-15	-15	0	0	0
C C T V	198	101	128	-27	246	-48
Drainage	32	19	7	12	32	0
Licences	-6	-0	-0	-0	-6	0
Licensing Statutory	-68	-23	-36	13	-68	0
Licensing Non Chargeable	7	4	4	-0	7	0
Dog Control	25	10	17	-8	25	0
Health Improvement Programme	9	9	8	1	9	0
Pollution Control - General	233	14	7	7	233	0
Contaminated Land	0	0	0	-0	0	0
Waste Crime	68	34	20	14	68	0
Food Hygiene	9	4	-1	5	9	0
Sampling	3	1	0	1	3	0
Occupational Health & Safety	48	22	-5	27	8	40
Infectious Disease Control	1	0	0	-0	1	0
Noise Control	1	0	0	-0	1	0
Pest Control	-12	-6	-6	0	-12	0
Public Conveniences	156	73	100	-27	206	-50
Licensing - Hackney & Private Hire	-66	-33	-49	16	-66	0
Street Cleansing	1,002	501	476	25	1,002	0
Household Waste Collection	1,122	565	572	-7	1,122	0
Commercial Waste Services	-89	-44	-54	10	-89	0
Recycling Collection	695	346	303	43	635	60
Switch Cafe Project	0	0	4	-4	0	0
Social Inclusion	5	3	5	-2	5	0

Continued on next page

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre(T)	Budget for Year £000	Budget to 30 September 2018 £000	Actual £000	Variance £000	Forecast 31 March 2019 £000	Forecast Variance 31 March 2019 £000
Public Health - Obesity	0	-26	-29	3	0	0
Public Health - Misc Services	2	-1	-5	3	2	0
Grants	195	195	200	-5	195	0
Delegated Grants	2	2	1	1	2	0
Parish Services	127	64	53	11	127	0
Strategic Housing Role	65	8	5	3	65	0
Housing Register & Allocations	10	9	12	-3	10	0
Private Sector Renewal	-47	-49	-50	1	-47	0
HMO Licensing	-14	-7	-23	15	-14	0
Homeless Temporary Accommodation	559	280	259	21	559	0
Homelessness Prevention	431	-156	-535	379	272	159
Aylesbury House	42	21	8	12	42	0
Magnolia House	-9	-2	-10	8	-9	0
St Martins House	0	0	0	-0	0	0
Marsham Street	37	-7	-1	-5	37	0
Sundry Temporary Accommodation (TA) Properties	-34	-14	-17	3	-34	0
Pelican Court (Leased TA Property)	0	-33	-39	6	0	0
2 Bed Property - Temporary Accommodation	-35	-3	-26	24	-35	0
3 Bed Property - Temporary Accommodation	-16	-2	-16	14	-16	0
4 bed Property - Temporary Accommodation	-12	-5	-6	1	-12	0
1 Bed Property- Temporary Accommodation	0	1	-1	2	0	0
Marden Caravan Site (Stilebridge Lane)	19	9	-1	10	19	0
Ulcombe Caravan Site (Water Lane)	7	1	5	-5	7	0
Head of Environment and Public Realm	95	47	44	4	95	0
Community Partnerships & Resilience Section	515	257	228	29	459	56
Licensing Section	107	54	48	6	107	0
Environmental Protection Section	241	120	121	-0	241	0
Food and Safety Section	250	125	125	-0	250	0
Depot Services Section	654	327	318	10	654	0
Head of Housing & Community Services	106	53	52	1	106	0
Homechoice	200	100	92	8	200	0
Housing & Inclusion Section	642	302	290	12	642	0
Housing & Health Section	291	96	65	31	255	36
Housing Management	186	27	16	11	186	0
Homelessness Outreach	40	-51	-56	5	40	0
Fleet Workshop & Management	679	340	381	-42	729	-50
MBS Support Crew	-71	-35	-34	-1	-71	0
Grounds Maintenance - Commercial	-24	-12	-119	107	-111	87
	<b>8,665</b>	<b>3,636</b>	<b>2,844</b>	<b>792</b>	<b>8,375</b>	<b>290</b>

Table 1 Revenue Budget Position, Q2 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 Q2	Adverse Variance Q2	Year End Forecast Variance
<b>Communities, Housing &amp; Environment Committee</b>	<b>£000</b>		
<b>CCTV</b> – The negative variance has arisen due to a combination of a savings target that will not be met and an income target that will not be achieved.		-26	-48
<b>Occupational Health &amp; Safety</b> – There is a professional services budget of £49,000 in this area that is not expected to be spent this year.	27		40
<b>Public Conveniences</b> – The negative variance in this area is mainly due to additional expenditure on utilities and repairs and maintenance. There is also an unachieved saving of £10,000.		-27	-50
<b>Recycling Collection</b> – Green bin hire continues to exceed the income budget, although demand will slow down in the second half of the year.	43		60
<b>Homelessness Prevention</b> – The forecast year end variance reflects potential underspends including £60,000 on the Homefinder scheme.	379		159
<b>Community Partnerships &amp; Resilience Section</b> – This variance has been caused by vacant posts in the team, which have taken longer to fill than hoped.	29		56
<b>Housing &amp; Health Section</b> - This variance has been caused by vacant posts in the team.	31		36
<b>Fleet Workshop &amp; Management</b> – The workshop has now been outsourced, but prior to that a high level of work had been outsourced to local garages due to resourcing issues. This has contributed to the negative variance along with a savings target of £50,000 that will only be partly achieved this year.		-42	-50
<b>Grounds Maintenance Commercial</b> – Income continues to be high due to works funded from Section 106 contributions, capital projects and other external works. The additional income is being used to fund additional staff to deal with the extra work.	107		87

**Table 2 Significant Variances – Communities, Housing and Environment Committee**

# Capital Budget

## 2nd 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 £3.420m has been incurred against a budget of £16.205m. At this stage, it is anticipated that there will be slippage of £5.807m, 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 Q2 2018/19

Capital Programme Heading	Adjusted Estimate 2018/19 £000	Actual to September 2018 £000	Budget Remaining £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2019/20 £000	Budget Not Required £000
<b>Communities, Housing &amp; Environment</b>								
Housing Development and Regeneration	9,301	640	8,661	2,862	1,024	4,526	4,775	
Temporary Accommodation	4,683	2,559	2,124	785	1,094	4,438	245	
Disabled Facilities Grants	1,348	195	1,153	200	250	645	703	
Flood Action Plan	501		501		501	501	0	
Public Realm Capital Improvements	150	26	124	20	20	66	84	
Commercial Waste	180		180		180	180	0	
Gypsy Site Improvements	42		42		42	42	0	
<b>Total</b>	<b>16,205</b>	<b>3,420</b>	<b>12,785</b>	<b>3,867</b>	<b>3,111</b>	<b>10,398</b>	<b>5,807</b>	<b>0</b>

**Table 3 Capital Expenditure, Q2 2018/19**

- The Brunswick and Union Street housing developments are progressing, with monthly progress meetings being held with the contractor. Sites are currently being prepared for the commencement of development, and the majority of pre-commencement planning conditions have now been submitted and discharged for both schemes. We are still on track for completion of both schemes in September 2020.
- On site works at Lenworth House are progressing well, with final works to the new build rear block currently taking place.
- A total of 11 temporary accommodation properties have been completed and handed over under phase two of the purchase and repair programme. A further two properties were due to be handed

over in the first week of November. The remaining three properties are currently going through the legal acquisition conveyancing process, and sufficient funds are available to target one further property for completion by financial year end.

