

Fourth Quarter Budget Monitoring 2019/20

Communities, Housing & Environment Committee

30th June 2020

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Executive Summary

This report provides Members with an overview of progress against the 2019/20 revenue and capital budgets as at 31st March 2020 (i.e. the provisional outturn position) for the services falling within the remit of the Communities, Housing & Environment (CHE). The analysis gives consideration given to the Council's overall position.

This report is backward looking and the figures presented therefore do not reflect the significant impact on the Council's finances arising from the Covid-19 pandemic. This is being monitored closely and will be reflected in future budget monitoring reports to this committee

The headlines for Quarter 4 are as follows:

Part A: Fourth Quarter Revenue Budget 2019/20

- Overall net expenditure for the services reporting to CHE is £8.890m, compared to the approved revised budget of £9.251m, representing an underspend of £361,000.

Part B: Fourth Quarter Capital Budget 2019/20

- Capital expenditure for the services reporting to CHE of £10.423m has been incurred against the approved revised budget of £13.069m. This means there is slippage of £2.645m, and this will be carried forward into 2020/21.

A1) Revenue Budget: Communities, Housing & Environment (CHE)

A1.1 Table 1 below provides a detailed summary on the budgeted net income position for CHE services at the end of Quarter 4. The financial figures are presented on an 'accruals' basis (e.g. expenditure for goods and services received, but not yet paid for, is included).

Table 1: CHE Revenue Budget: NET EXPENDITURE

| (a) | (b) | (c) | (d) |
|--|---------------------------------|----------------|------------------|
| Cost Centre | Revised Budget for Year £000 | Actual £000 | Variance £000 |
| Parks & Open Spaces | 1,055 | 1,040 | 15 |
| Playground Maintenance & Improvements | 146 | 81 | 65 |
| Parks Pavilions | 39 | 38 | 1 |
| Mote Park | 280 | 302 | -23 |
| Parks & Open Spaces Leisure Activities | -5 | -1 | -4 |
| Mote Park Leisure Activities | -38 | -18 | -19 |
| Allotments | 14 | 12 | 2 |
| Leisure Services Other Activities | 10 | 14 | -4 |
| Cemetery | 65 | 45 | 21 |
| National Assistance Act | -0 | -4 | 3 |
| Crematorium | -784 | -738 | -47 |
| Community Safety | 45 | 30 | 15 |
| PCC Grant - Building Safer Communities | 0 | 0 | 0 |
| CCTV | 207 | 232 | -25 |
| Drainage | 32 | 22 | 9 |
| Licences | -6 | -6 | -0 |
| Licensing Statutory | -66 | -87 | 21 |
| Licensing Non Chargeable | 8 | 8 | -0 |
| Dog Control | 29 | 50 | -21 |
| Health Improvement Programme | 9 | 0 | 9 |
| Pollution Control - General | 45 | 23 | 22 |
| Contaminated Land | 0 | -1 | 1 |
| Waste Crime | 7 | 8 | -0 |
| Food Hygiene | 2 | -4 | 6 |
| Sampling | 3 | -0 | 4 |
| Occupational Health & Safety | -6 | -7 | 1 |
| Infectious Disease Control | 1 | 1 | -0 |
| Noise Control | 1 | 0 | 1 |
| Pest Control | -12 | -12 | 0 |
| Public Conveniences | 211 | 219 | -8 |
| Licensing - Hackney & Private Hire | -64 | -60 | -5 |

| (a) | (b) | (c) | (d) |
|---|------------------------------|--------------|---------------|
| Cost Centre | Revised Budget for Year £000 | Actual £000 | Variance £000 |
| Street Cleansing | 1,255 | 1,209 | 46 |
| Household Waste Collection | 1,175 | 1,174 | 2 |
| Commercial Waste Services | -59 | -43 | -16 |
| Recycling Collection | 721 | 620 | 101 |
| Community Environmental Engagement | 0 | 0 | 0 |
| Social Inclusion | 4 | 4 | 0 |
| Public Health - Obesity | 0 | -0 | 0 |
| Public Health - Misc Services | 2 | 2 | -0 |
| Grants | 185 | 185 | 0 |
| Delegated Grants | 2 | 3 | -1 |
| Parish Services | 127 | 126 | 1 |
| Member's Community Grant | 60 | 55 | 5 |
| General Fund Residential Properties | -97 | -53 | -44 |
| Strategic Housing Role | 14 | 4 | 10 |
| Housing Register & Allocations | 10 | 11 | -1 |
| Private Sector Renewal | -47 | -50 | 3 |
| HMO Licensing | -20 | -23 | 2 |
| Homeless Temporary Accommodation | 482 | 475 | 7 |
| Homelessness Prevention | 262 | 187 | 74 |
| Predictive Analysis and Preventing Homelessness | 0 | 0 | 0 |
| Aylesbury House | 20 | 17 | 4 |
| Magnolia House | 8 | 11 | -3 |
| St Martins House | 0 | -2 | 2 |
| Marsham Street | 38 | 37 | 1 |
| Sundry Temporary Accommodation (TA) Properties | -16 | -9 | -6 |
| Pelican Court (Leased TA Property) | 0 | 4 | -4 |
| 2 Bed Property - Temporary Accommodation | -63 | -66 | 3 |
| 3 Bed Property - Temporary Accommodation | -53 | -53 | 0 |
| 4 bed Property - Temporary Accommodation | -3 | -2 | -1 |
| 1 Bed Property- Temporary Accommodation | -2 | -0 | -2 |
| Melville Road Supported Accommodation | -25 | -25 | 0 |
| Marden Caravan Site (Stilebridge Lane) | 19 | 16 | 3 |
| Ulcombe Caravan Site (Water Lane) | 7 | 14 | -8 |
| Head of Environment and Public Realm | 115 | 113 | 2 |
| Bereavement Services Section | 238 | 225 | 13 |
| Community Partnerships & Resilience Section | 523 | 486 | 36 |
| Licensing Section | 127 | 118 | 9 |
| Environmental Protection Section | 239 | 227 | 12 |
| Food and Safety Section | 277 | 277 | 0 |
| Depot Services Section | 865 | 817 | 48 |
| Head of Housing & Community Services | 124 | 124 | 0 |
| Homechoice Section | 241 | 223 | 17 |
| Housing & Inclusion Section | 638 | 635 | 2 |
| Housing & Health Section | 319 | 306 | 13 |
| Housing Management | 296 | 292 | 4 |
| Homelessness Outreach | 31 | 31 | 1 |
| Salary Slippage | -121 | 0 | -121 |
| Fleet Workshop & Management | 239 | 186 | 53 |
| MBS Support Crew | -54 | -57 | 4 |
| Grounds Maintenance - Commercial | -81 | -132 | 51 |
| Total | 9,251 | 8,890 | 361 |

A1.2 The table shows that at the end of the year, overall net expenditure for the services reporting to CHE is £8.890m, compared to the approved revised budget of £9.251m, representing a net shortfall of £361,000.

A2) CHE Revenue Budget: Significant Variances (>£30,000)

A2.1 Within the headline figures, there are a number of both adverse and favourable net expenditure variances for individual cost centres. It is important that the implications of variances are considered at an early stage, so that contingency plans can be put in place and, if necessary, be used to inform future financial planning.

A2.2 Table 2 below highlights and provides further detail on the most significant variances i.e. those meeting or exceeding £30,000 at the end of Quarter 4.

Table 2: CHE Variances >£30,000 (@ Quarter 4)

| | Positive Variance Q4 | Adverse Variance Q4 |
|---|-----------------------------|----------------------------|
| Playground Maintenance & Improvements – This underspend relates to staffing costs (£25k) and reduced expenditure on materials and supplies (£40k) as there is funding available in the capital programme for additional spare equipment for future maintenance. | +65 | |
| Crematorium – Increased maintenance costs (additional landscaping costs of £31,000) along with unaccrued maintenance expenditure of £18,000 from 2018/19 are the main factors in this overspend. | | -47 |
| Street Cleansing – This area has benefited from an increased level of income for external works. | +46 | |
| Recycling Collection - This variance is a combination of savings from the purchase of wheeled bins (£58,000) along with increased income from the service. (£43,000) | +101 | |
| General Fund Residential Properties – Provision has been made for non-payment of rent for a number of vacant properties (£23,000). There was also unbudgeted spend on maintenance and non-domestic rates (£13,000) and a shortfall in rental income from a vacant property (£6,000). | | -44 |
| Homelessness Prevention – There have been significant underspends on the service, including the Guaranteed Rent scheme budget (£20,000), the Deposit Bond schemes (£14,000) and General Expenses (£24,000) The Guaranteed Rent scheme has been put on hold. | +74 | |
| Community Partnerships & Resilience Section – This underspend mainly relates to a recent restructure (£10,000) and staff vacancies during the year (£11,000) along with a general underspend on running costs (£14,000). | +36 | |
| Depot Services Section – The underspend relates to reduced staffing costs following the implementation of a restructure during the year. | +48 | |

| | Positive Variance Q4 | Adverse Variance Q4 |
|---|----------------------|---------------------|
| Salary Slippage – This is a credit budget, which allows for service underspends on salaries due to temporary vacancies arising from staff turnover. This variance is offset by underspends in the service areas. | | -121 |
| Fleet Workshop & Management – The main elements of this underspend are the vehicle hire budget (£29,000) and repair and maintenance costs (£24,000). These reduced costs are a result of the purchase of new vehicles and an improved standard of maintenance. | +53 | |
| Grounds Maintenance – Commercial – This variance is from additional section 106 income to fund works that were carried out during the year. | +51 | |

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

B1.1 The final outturn position of the 2019/20 CHE element of the Capital Programme at the Quarter 4 stage is presented in Table 3 below. The budget for 2019/20 includes resources brought forward from 2018/19.

Table 4: CHE Capital Programme 2019/20 (@ Quarter 4)

| Capital Programme Heading | Adjusted Estimate 2019/20 £000 | Actual to March 2020 £000 | Budget Remaining £000 |
|---|-----------------------------------|------------------------------|--------------------------|
| Communities, Housing & Environment | | | |
| Brunswick Street - Net Cost of Scheme | 2,514 | 2,796 | -281 |
| Union Street - Net Cost of Scheme | 975 | 1,499 | -523 |
| Indicative Schemes | 3,475 | 1,545 | 1,930 |
| Housing - Disabled Facilities Grants Funding | 1,570 | 793 | 777 |
| Temporary Accommodation | 3,236 | 3,083 | 153 |
| Gypsy Site Improvement Works | 42 | 47 | -4 |
| CCTV Upgrade and Relocation | 150 | 154 | -4 |
| Commercial Waste | 180 | 196 | -16 |
| Street Scene Investment | 147 | 77 | 71 |
| Flood Action Plan | 100 | | 100 |
| Continued Improvements to Play Areas | 422 | 125 | 297 |
| Commercial Projects - Crematorium Projects | 55 | 107 | -52 |
| Commercial Projects - Cemetery Chapel Repairs | 100 | | 100 |
| Other Parks Improvements | 100 | 1 | 99 |
| Total | 13,069 | 10,423 | 2,645 |

B1.2 Comments on the significant variances are as follows:

Brunswick Street/Union Street

Both schemes are forecast to be delivered on budget. The year-end variance reflects the timing of payments to the main contractor and the receipt of external funding. The remainder of the net costs due are funded in the capital programme for the next two years.

Indicative Schemes

The only scheme progressed to date is the purchase of Springfield Mill.

Housing- Disabled Facilities Grants

Expenditure on housing adaptations often does not match the Council's financial year. The 2019/20 budget of £1.57 million includes allocations for a wider range of initiatives, including the "Helping You Home" scheme, operated in conjunction with Maidstone and Pembury hospitals.

Temporary Accommodation

Following the competition of phase 3 £153,000 was unspent, and this will be rolled forward and incorporated into phase 4.

Flood Action Plan

This budget was unspent in 2019/20 and will be rolled forward into 2020/21.

Continued Improvements to Play Areas

This budget is used for grants to parishes and for the purchase of spare equipment to maintain the play areas on an ongoing basis, and the unspent budget is rolled forward annually.

Commercial Projects – Cemetery Chapel Repairs

This budget was unspent in 2019/20 and will be rolled forward into 2020/21.

Other Parks Improvements

This budget was unspent in 2019/20 and will be rolled forward into 2020/21.