

## *Budget Monitoring Sheets for July 2016*

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## **BUDGET MONITORING - Strategic Commentary - As at 31st July 2016**

### **Overall Financial Position**

1. The year-end position is currently forecast to be £1,000 better than budget.
2. This forecast includes any significant accruals.

### **Key Issues for the year to date**

3. Property Investment Strategy Income – this represents income derived from the acquisitions of commercial property in Sevenoaks and Swanley. The income from acquisitions to date will be less than originally budgeted for 2016/17 due to refurbishment works and a rent free period awarded at the start of a new ten year lease. This will result in additional income over the 10-year budget period. Investigations into further acquisitions are continuing in line with the strategy.
4. Pay costs – the actual expenditure to date on staff costs, (including agency cover and costs of advertising for professional posts, but excluding those who are externally funded) is £70,000 greater than budget. There are variances in individual areas and the larger variances are explained in the Chief Officer commentaries.

### **Year End Forecast**

5. The year-end position is forecast to be a favourable variance of £1,000.
6. The budgeted surplus for the Direct Services Trading account is forecast to be £30,000 better than budget. Expenditure for the year is forecast to exceed budget by £29,000, however income is forecast to be £59,000 better than original budget.

### **Future Issues and Risk areas**

7. Chief Officers have considered the future issues and risk areas for their services and the impacts these may have on the Council's finances as follows:

- There is potential that asset maintenance on leisure centres, particularly White Oak, will exceed current budgets due to ageing assets;
  - Universal credit started in the district in 2015 but has had a minimal impact to date;
  - Planning fee income remains uncertain and is being closely monitored;
  - There remains the risk that planning decisions will be challenged, either at appeal or through the Courts;
  - Future appeals may incur costs arising from specialist input.
8. This Council is entitled to retain 50% of extra income arising from increases in the business rate tax base, however this figure is subject to great volatility as it is affected by the results of outstanding appeals and this area will be closely monitored.
9. Planned savings for 2016/17 total £412,000, including savings from the senior management re-structure, from partnership working, and from additional income generation, and these will be risk areas for the current and for future years.
10. The impact on financial markets and externally funded projects following the results of the Referendum in June 2016 will be monitored and addressed as part of the Council's risk management process.

Contacts:

Adrian Rowbotham	Chief Finance Officer	ext 7153
Helen Martin	Head of Finance	ext 7483

### Communities and Business – July 2016 Commentary

Service	Variance to date £'000  <i>Brackets indicate Favourable Variance</i>	Forecast Annual Variance £000  <i>Brackets indicate Favourable Variance</i>	Explanation of variance and action planned (including changes from previous month)
			<i>No variances required comments at end July 2016</i>

Future Issues/Risk Areas

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**Chief Officer – Communities and Business**  
**August 2016**

### Corporate – July 2016 Commentary

Service	Variance to date £'000 <i>Brackets indicate Favourable Variance</i>	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Democratic Services	(10)		Underspend due to maternity leave and awaiting invoice for software maintenance
Support – Human Resources	16		Training budget not currently allocated to correct areas – currently under review
Salaries	21		Some adjustments still to be made following the management re-structure.

Future Issues/Risk Areas

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**Chief Officer – Corporate Support**  
**August 2016**

### Environmental and Operational Services – July 2016 Commentary

Service	Variance to date £'000 <i>Brackets indicate Favourable Variance</i>	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Asset Maintenance Argyle Rd	(20)		Works currently underway to both lifts to ensure safe continuous operation.
Asset Maintenance Leisure	61	30	Urgent works undertaken to White Oak Leisure Centre to ensure safe continuous operation. Also works undertaken at Lullingstone Golf Club.
Building Control	(12)		Income slightly above profile. Recharges to BC hub not up to date.
Car Parks and On Street	16		Income £41,000 below profile. Could be seasonal variation (to be investigated further). 1 <sup>st</sup> quarter rent paid for new area of Blighs Car Park. On street parking income £38,000 above profile.
Estates Mgt Buildings	20		Rates charge £53,000 over budget. To be checked. Partly offset by rental income ahead of profile.
Gypsy Sites	(13)		Supporting people grant received ahead of profile.
Kent Resource Partnership	(208)		No budget set up yet. All expenditure covered by Partner income.
Markets	(12)		Payment not yet made for Swanley Market (1 <sup>st</sup> quarter). Income from Sevenoaks Markets ahead of profile.
Parks & Recs	(19)		Bill not received from Swanley Town Council for maintenance of Swanley sites. Contract ended end of July.
Parks Rural	10		Coppicing works continuing in respect of infestation of Oriental Chestnut Gall Wasp. To be offset by income from sale of timber.

Service	Variance to date £'000 <i>Brackets indicate Favourable Variance</i>	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Support – Central Offices	(38)		Rental Income not profiled. Electricity expenditure below profile.
Support General Admin	(14)		Expenditure below profile on a range of areas including salaries.
Salaries Operational	26		Savings on salaries for Direct Services due to vacancies, partly offset by use of agency staff. Reflected in Direct Services Trading Accounts.
Capital Vehicles	245		Vehicle replacement budget will be contained within total approved budget of £514,000.
Bradbourne MS	(1524)	150	Total approved budget £5.3m. Exp to date £247,000. Site works started 8.8.16. Completion date estimated at April 2017.
Buckhurst 2	(1333)		Revised scheme for Buckhurst 2 to be considered in the Autumn.
Sennocke	(495)		Total approved budget £9.3m. Works on site will not commence until April 2017 at the earliest. Expenditure in 2016/17 will relate to fees only.
Direct Services Trading Accounts – overall position	(43)	(30)	Income £20,000 above profile. Expenditure £23,000 below profile. Current surplus £144,000 against a profiled surplus of £101,000.

#### Future Issues/Risk Areas

Expenditure on Leisure Asset Maintenance – Particularly White Oak Leisure Centre

**Chief Officer Environmental & Operational Services  
August 2016**

## Finance – July 2016 Commentary

Service	Variance to date £'000 <i>Brackets indicate Favourable Variance</i>	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Corporate Savings	38		Pending adjustments for vacant post savings
Equalities Legislation	(18)		Invoice for shared officer awaited
Misc. Finance	44		Includes payment to MMI under Scheme of Arrangement; will be covered by Provision
Salaries	(17)		Some Benefits posts filled by agency staff until August.

### Future Issues/Risk Areas

Universal Credit started in the district in October 2015 but has had minimal impact to date.

**Chief Finance Officer  
August 2016**



### Planning – July 2016 Commentary

Service	Variance to date £'000  <i>Brackets indicate Favourable Variance</i>	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Admin Expenses – Planning Service	12		The variance to date is a result of profiling and expenditure on courses.
LDF Expenditure	26		Currently gathering evidence from experts; to be drawn down from the Local Plan reserve
Planning - Appeals	13		Costs of legal representation at Public Enquiries on appeals.
Planning – CIL Administration	17		This is the 5% of monies received that can be used for administrative purposes and will be used in part to enhance our monitoring procedures.
Planning – Development Management	(65)		The year to date position reflects a relatively small number of high fee applications.
Planning – Enforcement	10		Short term agency cover was required in the Enforcement Team. That contract has now ended.
Planning Policy	(19)		This reflects the fact that grants are yet to be paid, and profiling of transfer to reserves
Salaries	14		This is the result of temporary staff cover.

#### Future Issues/Risk Areas

There remains the risk that planning decisions will be challenged, either at appeal or through the Courts. Future appeals may also require specialist input. Application fee income remains uncertain and will be monitored closely.

**Chief Planning Officer**  
**July 2016**