

Budget Monitoring Sheets for June 2016

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BUDGET MONITORING - Strategic Commentary - As at 30th June 2016

Overall Financial Position

1. The year-end position is forecast to be £31,000 better than budget; which is 0.2 % of the net budget for the year.
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 £65,000 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 £31,000.
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 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;
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 following the results of the Referendum in June 2016 will be monitored and addressed as part of the Council's risk management process.

Contacts:

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Communities and Business – June 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
			<i>No variances required comments at end June 2016</i>

Future Issues/Risk Areas

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Chief Officer – Communities and Business
June 2016

Corporate – June 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
Asset Maint. IT	(45)		Spend as per 10 year asset maintenance plan – surplus to IT Asset Maintenance reserve at year end as agreed
Elections	(170)		Costs incurred for PCC and EU Referendum will be reimbursed in full. Currently invoice timings do not match income.
Support – Human Resources	15		Training budget not currently allocated to correct areas – currently under review

Future Issues/Risk Areas

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Chief Officer – Corporate Support
June 2016

Environmental and Operational Services – June 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
Salaries – Operational Services	24		Savings on salaries in Direct Services due to vacancies partly offset by use of agency staff. Reflected in Direct Services Trading accounts
Asset Maintenance Argyle Rd	(16)		Works ordered to both lifts to ensure safe continuous operation.
Asset Maintenance Leisure	24		Urgent works undertaken to White Oak Leisure Centre to ensure safe continuous operation.
Car Parks	22		Income slightly over profile. 1 st quarter rent paid for new area of Blighs Car Park
Estates Mgt Buildings	21		Rates cost £54,000 over budget. To be checked. Partly offset by rental income.
Gypsy Sites	(13)		Supporting people grant received ahead of profile.
Markets	(14)		Payment not yet paid for rental of land for Swanley Market (1 st quarter) Income for Sevenoaks Saturday Market above profile.
Parks	(15)		Bill not received from Swanley Town Council for maintenance of Swanley sites.
Refuse	(26)		Recycling credits for last quarter of 2015/16 require booking back to 2015/16.
Support – Central Offices	(21)		Rent income received ahead of profile. Electricity expenditure below profile.
Taxis	(10)		Expenditure on taxi tests below profile. Income slightly above profile.
Direct Services Trading Account – overall position	(58)	(30)	Income £24,000 above profile. Expenditure £34,000 below profile. Current surplus £147,000 against profiled surplus of £89,000.

Future Issues/Risk Areas

Expenditure on Leisure Asset Maintenance – Particularly White Oak Leisure Centre

Chief Officer Environmental & Operational Services July 2016

Finance – June 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
Dartford Partnership Hub	21		Additional resources to help address the Benefits workload and to be proactive in contacting Council Tax Support customers. The funding of this additional cost will be shared with Dartford BC. The use of agency staff will stop in August.
Equalities Legislation	(18)		Invoice for shared officer awaited.
Misc. Finance	42		Includes payment to MMI under Scheme of Arrangement; will be covered by Provision
Support Exchequer & Procurement	12		Expenditure includes temporary staff cover during re-structure in Finance
Salaries	(11)		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 July 2016

Planning – June 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
Admin Expenses – Planning Service	12		The variance to date is a result of profiling and expenditure on courses.
LDF Expenditure	16		To be drawn down from the Local Plan reserve
Planning – CIL Administration	12		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	(56)		The year to date position reflects a relatively small number of high fee applications.
Planning – Enforcement	12		Short term agency cover was required in the Enforcement Team. That contract has now ended.
Planning Policy	(11)		This reflects the fact that grants are yet to be paid, and profiling of transfer to reserves
Salaries	27		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.
Application fee income remains uncertain and will be monitored closely.

Chief Planning Officer
July 2016