

Budget Monitoring for September 2019

Contents

- 1 Commentaries
- 2 Overall Summary
- 3 Overall Summary by Service
- 4 Cumulative Salary Monitoring
- 5 Direct Services Trading accounts
- 6 Investment Income
- 7 Staffing Statistics
- 8 Income Graphs

BUDGET MONITORING - Strategic Commentary - As at 30th September 2019

People and Places - September 2019 Commentary

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Administrative Expenses - Communities & Business	11	10	This is due to advertisements for staff including the Chief Officer for People and Places.
Economic Development Property	48	10	This relates to feasibility and other work in the lead up to a number of property investments. Most of this will be capitalised as projects proceed and start to attract an income. This is an ongoing situation. Finance undertake the capitalisation work towards the end of the financial year. This also includes additional salaries costs to fill Head of Service post with interim staff, pending permanent appointment and the advert costs for the Strategic Head of Service for Commercial and Property.
Homeless	96		These anticipated additional costs will be offset using additional funding from Government under the Flexible Homelessness funding which is intended to mitigate the effects of the new legislation. This funding is held in an earmarked reserve and will be transferred later in the year. Additional expenditure for nightly paid emergency accommodation for homeless customers will also be offset to an extent by Housing Benefit reclaim. This current overspend against profile is likely to grow due to the national increase in the use of emergency accommodation for homelessness. However, the budget should be on target at the year end following the transfer from the earmarked reserve.
Homelessness Funding	11		This is to do with additional staff costs which will be offset with the Flexible Support grant.

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Housing Energy Retraining Options (HERO)	15		To be drawn down from earmarked reserve at year end.
Leisure Contract	(13)		This sum will be required for contractor recruitment for the White Oak site
West Kent Partnership	(13)		External funding received in advance.
Youth	11		Youth Zone activity costs paid in advance. Spend is ahead of profile.
Disabled Facilities Grant Administration	10		Income to be transferred at year end.
Energy Efficiency	(14)		This is an underspend in salary costs - to offset other housing salary costs.
Private Sector Housing	(35)		Savings on salaries due to vacancies - now filled. Will offset other additional housing salaries costs and be on budget at year end.
Community Sports Activation Fund	(11)		External funding received in advance. Will be zero at year end.
Dunton Green Projects - S106	15		External funding received in advance and Finance will be drawing this down to offset the expenditure at the year end. Will be zero at year end.
Partnership - Home Office	15		External Funding. Spend is ahead of profile. Will be zero at year end.
PCT Initiatives	(17)		External funding received in advance. Will be zero at year end.

Service	Variance to date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
West Kent Enterprise Advisor Network	(11)		External funding for the enterprise network received in advance. Will be zero at year end.
West Kent Kick Start	(11)		External funding received in advance. Will be zero at year end.

Future Issues/Risk Areas

Feasibility costs for property investments and development of council owned assets increase with the number of projects worked on and it is possible that this will exceed the budget at the year end. This is carefully monitored
Recovery of Housing Benefits is lower than the cost of Nightly Paid Accommodation leading to an overspend in the Homelessness Budget. However, this will be offset using the Flexible Homelessness Grant. This is being carefully monitored with action taken to minimise the Nightly Paid Accommodation costs.

Lesley Bowles
Chief Officer - People & Places
October 2019

Customer & Resources - September 2019 Commentary

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
Asset Maintenance IT	(85)		Spend as per 10-year asset maintenance plan - surplus to IT Asset Maintenance reserve at year end as agreed
Elections	46		Current overspend due to income outstanding relating to the EU Parliamentary and local Elections. The remaining 25% of the fees will be recovered once accounts are signed off by the Electoral Claims Unit (ECU)
Register of Electors	(12)		Underspend due to staff turnover to be offset by work on Polling Place Review
Support - Legal Function	(25)	(11)	Underspend due to staff turnover. Underspend likely to cover external advice required.
Land Charges	20	30	Current underachievement in income is due to a reduced volume of search requests received. This will be monitored monthly and potentially offset by increased volumes in later periods.
Dartford Rev&Ben Partnership Hub (SDC costs)	(25)		Current underspend due to staff turnover but likely to be offset by new staff and backfilling of resources.
Local Tax	106	22	A new enforcement service is being trialled for a year and is currently not expected to achieve the full £100,000 in the year. The future service provision will be reviewed during the year. £95,000 is due to be received from Kent County Council following SDC's decision at Council on 26/02/19 to amend the Council Tax Empty Property discounts. £43,000 has been spent with business rates valuation experts and is shown as a cost here. A corresponding amount of additional income is shown on the Business Rates line.

For noting, figures in brackets represent a favourable variance

Future Issues/Risk Areas

None

Jim Carrington-West
Chief Officer - Customer & Resources
October 2019

Finance & Trading - September 2019 Commentary

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Corporate Management	(41)	18	Brexit Funding receipt.
Corporate - Other	(33)		The savings made from vacant posts are currently ahead of profile for the year to date. Currently the level of savings generated is forecast to reduce in the coming months and to be in line with the budgeted amount by the end of September. Should additional vacancies arise the year-end forecast will be reviewed.
Members	(17)	(10)	This is due to the gap between the election and appointment to roles.
Administrative Expenses - Finance	27	16	Works carried out to improve the Finance IT system.
Support - Exchequer and Procurement	13		Temporary staffing to cover vacancy coupled with Vacancy Pot Contribution.
Car Parks	137	150	Full NNDR bills paid for year. Actual exp £30K over budget. No NNDR bill for new Sevenoaks Town MSCP. Income £48,000 below target. Day ticket income down but Season ticket income up. Maintenance carried out on Buckhurst 1 wall. Reduction in Income reflects the, 'Freeze' in most parking charges for 19/20.
CCTV	8	15	Full income budget will not be realised.
Asset Maintenance Argyle Road	(32)		Spend behind profile on generator replacement.
Asset Maintenance Leisure	13		Works carried out to showers and boilers and lifts at Edenbridge Leisure Centre. Fire alarm system to be replaced at Edenbridge Leisure Centre.

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Estates Management - Buildings	47	40	NNDR bills paid incl for Meeting Point building in Swanley. This will continue to be paid until building demolished. NNDR bill £50,000 over budget. Additional rental income received for SDC owned buildings.
Estates Management - Grounds	19	15	Essential tree work undertaken. Legal fees paid for transferring land to Swanley Town Council.
Housing Premises	(13)	(10)	Income received for Private Sewage treatment works ahead of profile. Income received higher than budget.
Markets	(12)	(30)	Income for Swanley Market ahead of profile. Rent paid for Swanley market site.
Parks and Recreation Grounds	(13)		First invoice from Consultants for Bradbourne Lakes surveys, paid in 2018/19.
Parks - Greensand Commons Project	26		HLF grant covers expenditure.
Parks - Rural	(22)		Income received for coppiced timber.
Refuse Collection	(29)	50	£60,000 income received from Kent Resource Partnership. To be ring fenced for recycling initiatives. Income from glass and paper credits will be below budget.
Support - Central Offices - Facilities	12		Exp above profile on salaries.
Support - General Admin (Post/Scanning)	(22)		Savings on Salaries and postage costs.

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Support - General Admin (Print Shop)	21		Income is currently behind profile. This is partly due to a delay in contract payments from Dartford due to staff absence. All payments have been chased and there is no year-end variance forecast.
Support - Direct Services	11		Exp ahead of profile on training costs.
Direct Services - Trading Accounts	27	10	Income £28,000 below profile. Expenditure to profile. Profiled surplus £179,000. Actual surplus £152,000.

For noting, figures in brackets represent a favourable variance

Future Issues/Risk Areas

The full service of Universal Credit, seeing the transfer of new claims to Universal Credit, commenced in November 2018. Migration for existing claims is being phased after this date; however, pensioner cases will be retained. Regular liaison meetings are taking place between DBC/SDC managers and DWP partnership managers.

NNDR bills higher than budget figures. NNDR bill not yet received for new Sevenoaks Town Car Park. Risk of higher diesel prices due to attacks on Saudi oil supplies resulting in increase in crude oil prices.

Adrian Rowbotham
Chief Officer - Finance & Trading
October 2019

Planning & Regulatory Services - September 2019 Commentary

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
Administrative Expenses - Planning Services	18	5	This is a result of staff training and development, including university fees.
Planning Performance Agreement (PPA)	100		This will be offset from the PPA reserve - Fort Halstead/Brokehill
Conservation	(9)	(10)	This is an underspend on staff from profiled salary budgets.
Planning Policy	(26)		This relates to a vacant post. Any underspend can form part of the Local Plan reserve.
Planning - Appeals	29	43	This is the result of an award of costs at Fircroft Way, Edenbridge. Additional costs will be forthcoming following the U+I appeal in Swanley.
Planning - CIL Administration	44	(5)	This is the result of profiling as income is transferred twice a year.
Planning - Development Management	(174)	(211)	This results from an underspend on salaries due to vacant posts, which are proving difficult to fill, and an overachievement on fee income due to a small number of high fee applications. The forecast reflects the incoming Fort Halstead and Brokehill applications.
Planning - Enforcement	52	87	This is due to increased enforcement activity, including the successful serving of Injunctions, associated costs and the salary cost of our temporary senior officer.
Building Control	(56)	(30)	This is a result of an overachievement on fee income, in part due to the national Approved Inspector (AI) insurance issue. It is being closely monitored to see if it is a trend.
EH Commercial	6	(10)	Reflects reduction in payment to hub costs agreed with DBC.

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned
EH Environmental Protection	(25)	(10)	Exp below profile on air quality monitoring, required later in the year. Reflects reduction in payment to hub costs agreed with DBC.
Licensing Regime	11		Premises annual fees profiled to be all received. Some still to invoice when due.

For noting, figures in brackets represent a favourable variance

Future Issues/Risk Areas

<p>There remains the risk that planning decisions and enforcement action will be challenged, either at appeal or through the Courts. The U-I Public Inquiry has now taken place and a cost award was successful. The effect of that will be reported in future months. Staff turnover remains high and recruiting to vacant posts continues to be difficult. The Local Plan process will likely generate the submission of a small number of potentially high fee applications, which will be carefully monitored.</p>
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Richard Morris
Chief Officer Planning & Regulatory Services
October 2019