

## Budget Monitoring for January 2020

### 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 31<sup>st</sup> January 2020

### People and Places – January 2020 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	13	10	This is due to advertisements for staff including the Chief Officer for People and Places and the Strategic Head Commercial and Property.
Community Safety	22	14	Additional expenditure has been necessary to bring the Convent of Mercy in Swanley under control. It was agreed that all corporate costs relating to the Convent of Mercy including legal and planning enforcement costs are being charged to this budget. There will be an attempt to recover some costs from the landowner.
Tourism	(23)	(1)	This includes support funding received for the Community Rail Partnership. The favourable variance results from a recharge to the trading companies.

#### Future Issues/Risk Areas

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Sarah Robson  
Chief Officer – People & Places  
February 2020

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)	25		There is an outstanding invoice and funding is to be transferred from the earmarked reserve.
Gypsy Sites	14	10	Overspend due to rent arrears which are actively being pursued and salaries. The year end forecast has been changed to a £10k overspend as a result.
Private Sector Housing	(62)	(11)	Mainly due to savings on funeral costs and salaries due to vacancies which are now filled. In addition, income is ahead of profile. The salaries variance will offset other additional housing salaries costs and should be on budget at year end. The year-end forecast is and £11k underspend.
Choosing Health WK PCT	(18)		External funding received in advance. Will be zero at year end.
PCT Health Checks	(10)		External funding received in advance
PCT Initiatives	(23)	(1)	External funding received in advance. The favourable variance results from a recharge to the trading companies.

#### Future Issues/Risk Areas

The Homelessness budget is under pressure because of additional responsibilities under the Homelessness Reduction Act, resulting in additional demand for emergency accommodation. The Government's Flexible Homelessness Grant is made annually and is sufficient to cover the projected additional expenditure for the year. This is held in an earmarked reserve and transferred into the Homelessness budget at intervals during the year. This is being carefully monitored with action taken to minimise the Nightly Paid Accommodation costs.

Sarah Robson - Chief Officer – People & Places (February 2020)

## Finance & Investment – January 2020 Commentary

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Misc. Finance	71		The current overspend is caused by the costs of the project to replace Task with Agresso. These costs will be financed from the Corporate Project reserve, eliminating the variance.
Administrative Expenses - Finance	41	30	Works carried out to improve the Finance IT system, including set up of the ledger for new entities, Making Tax Digital and Direct Debit.
Support - Exchequer and Procurement	25	5	Temporary staffing to cover vacancies
Dartford Audit Partnership Hub (SDC Costs)	(82)		This is aggregated with the Dartford Hub costs and the Sevenoaks share of any total underspend is shown in the 'Support – Audit Function' line
Support – Audit Function	11	(16)	Vacant posts due to the staffing restructure that is taking place.
Dartford Rev&Ben Partnership Hub (SDC costs)	(32)		This is aggregated with the Dartford Hub costs and the Sevenoaks share of any total underspend is shown in the 'Support – Audit Function' line.
Local Tax	90	121	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. £50,000 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. The remainder is accounted for by court costs and impact on recovery.
Support - Legal Function	(36)	(43)	Underspend mainly due to staff turnover and reduced legal expenditure. In addition there is a small recharge to the trading companies.

*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.
- Income from refuse collection is lower compared to budget due to income from glass and paper credits

**Adrian Rowbotham**  
**Chief Officer – Finance & Trading**  
**February 2020**

### Improvement and Innovation – January 2020 Commentary

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Members	(26)	(17)	This is due to the gap between the election and appointment to roles. Members are only paid one Special Responsibility Allowance.
Economic Development Property	178	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.
Asset Maintenance IT	(68)		Spend as per 10-year asset maintenance plan – surplus to IT Asset Maintenance reserve at year end as agreed
Corporate Projects	(22)	(20)	Staff Savings re Maternity Leave not back filled.
Elections	54		Advanced payment received for the Parliamentary Election, full costs including relevant staffing have yet to be accounted for against this area. End of year position expected as per budget once the Electoral Claims Unit have approved the final claim. The overspend is due to income outstanding relating to the EU Parliamentary and local Elections and Parliamentary General Election. The remaining 25% of the fees for EU and PGE will be recovered once accounts are signed off by the Electoral Claims Unit (ECU).

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Register of Electors	(14)	(6)	Underspend due to staff turnover now recruited to so year end position expected on budget
Land Charges	41	50	Current underachievement in income is due to a reduced volume of search requests received.
Street Naming	(10)	(10)	Increased income
Support - Local Offices	10	10	Final extension of contract.
Support - Contact Centre	(9)	(10)	Underspend due to staff turnover.
Support - IT	2	(30)	Includes payment in advance for 2020/21 Agresso maintenance – to be adjusted accordingly
Support - Human Resources	16	28	Additional staffing costs to deliver service partially offset by a recharge to the trading companies.
Support - General Admin (Print Shop)	26	14	Print Studio income has been reduced this year. Despite savings in staff costs and expenditure on materials an adverse variance is expected at year-end.
External Communications	(26)	(9)	The current favourable variance is as a result of invoices due to be paid in relation to the distribution of In Shape. These will be paid in before year-end and reduce the expected year-end position as shown.
Corporate Management	(83)	(37)	Government provided additional funding to support the Council to meet any costs that may arise as a result of leaving the EU. This funding will not be committed in full during this financial year and is to be moved to reserves. Forecasts for salaries and services have been adjusted to reflect the expected position at year end.

Service	Variance to Date £000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Corporate - Other	25)	(20)	The savings made from vacant posts are currently ahead of profile for the year to date. It is anticipated that these we'll exceed the budget level at year-end.
Administrative Expenses - Human Resources	10		Additional one-off costs due to staff turnover and subsequent recruitment.

*For noting, figures in brackets represent a favourable variance*

#### **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.

**Jim Carrington-West**  
**Chief Officer - Customer & Resources**  
**February 2020**

**Sarah Robson**  
**Chief Officer - People & Places**  
**February 2020**



### Cleaner and Greener – January 2020 Commentary

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Car Parks	198	190	Business Rates increases (growth SCIA included in 2020/21 budget process) and increased Electricity Costs are causing overspends. Additionally parking income is below target.
CCTV	53	15	Full income budget will not be realised (growth SCIA to reduce income budget included in 2020/21 budget process). Control Room costs paid up front for next year. This will be accrued to eliminate the overspend in this area.
Asset Maintenance Argyle Road	(20)		Budget for new Keyless Entry system yet to be spent.
Asset Maintenance Direct Services	(16)	(5)	Works due to be completed at Mill Pond and Mildmay Depot, Shoreham. A minor underspend forecast at year end.
Asset Maintenance Leisure	(24)		Spend behind profile.
Refuse Collection	60	50	Income from glass and paper credits will be below budget.
Car Parking - On Street	12	(20)	Additional income received for Wayleaves offsetting minor overspends.
Estates Management - Buildings	30	40	Business Rates bills paid including for Meeting Point building in Swanley. This will continue to be paid until the building is demolished - £50,000. Additional rental income has been received for SDC owned buildings.
Estates Management - Grounds	21	15	Essential tree work undertaken. Legal fees paid for transferring land to Swanley Town Council.
Housing Premises	(10)	(10)	Income received for Private Sewage treatment works ahead of profile. Income received higher than budget.

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Markets	(32)	(30)	Increased income, following re -tendering for Sevenoaks and Swanley markets.
Parks and Recreation Grounds	(18)	(6)	Minor underspend relating to asset maintenance.
Parks - Rural	(17)	(4)	Income received for coppiced timber. Additional works in woodlands is being carried out will offset some of this income.
Asset Maintenance Operatives	11		Recovery of costs behind spend.
Street Cleansing	(12)		
Support - Central Offices	7	(10)	Reduced energy costs.
Support - Central Offices - Facilities	16	28	Facilities Management relies heavily on overtime to maintain building opening times and also manage the asset maintenance service. Levels do fluctuate but overtime for cover will continue to be required. At the current rate and in view of the general election in December, it is forecast that there will be a further £12,000 overspend for the rest of the financial year.
Support - General Admin (Post/Scanning)	(31)	(15)	Savings on Salaries and postage costs
Support - Direct Services	17	14	Additional staff training.
Direct Services – Trading Accounts	77	89	Income £29,000 below profile. Expenditure £15,000 above profile. Profiled surplus £179,000. Actual surplus £135,000.
EH Animal Control	15	16	This is the result of an underachievement on fee income.

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
EH Environmental Protection	(39)	(43)	Expenditure is below profile on air quality monitoring, but will be required later in the year. Some of the costs are expected to be funded by S106 grant. This also reflects a reduction in the payment of hub costs, agreed with DBC.
Licensing Partnership Hub (Trading)	(18)		This is the result of an overachievement in fee income that will be reinvested in the recent service restructure.
Licensing Regime	(18)	(22)	This is the result of exceeding income targets for premises licensing.

#### Future Issues/Risk Areas

Risk of higher diesel prices.
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<b>Adrian Rowbotham</b> <b>Chief Officer – Finance &amp; Trading</b> <b>February 2020</b>	<b>Richard Morris</b> <b>Chief Officer Planning &amp; Regulatory Services</b> <b>February 2020</b>
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### Development and Conservation – January 2020 Commentary

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Administrative Expenses - Planning Services	49	42	This is a result of staff training and development, including university fees.
Planning Performance Agreement (PPA)	42	47	This is our Urban Designer post costs, which will be offset by an underspend on salaries due to vacant posts in the department.
Conservation	(11)	(13)	This results from an underspend on salaries due to vacant posts
LDF Expenditure	79		The funds to cover the expenditure will be drawdown from the Local Plan reserve.
Planning Policy	(28)	(50)	This relates to a vacant post. Any underspend can form part of the Local Plan reserve.
Planning - Appeals	22	33	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	(15)	(11)	This results from an underspend on salaries due to the temporary staff being on a lower grade than provided in the budget.
Planning - Development Management	(276)	(278)	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.
Planning - Enforcement	85	93	This is due to increased enforcement activity, including the successful serving of Injunctions, associated costs and the salary cost of our temporary officers.
Administrative Expenses - Building Control	(9)	(10)	Savings in the admin costs due to the partnership arrangement.

Service	Variance to date £'000	Forecast Annual Variance £000	Explanation of variance and action planned (including changes from previous month)
Building Control	(56)	3	Overachievement on fee income is planned to be reinvested in future periods and to offset an increased staff costs of the partnership.

#### Future Issues/Risk Areas

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 taken place and a cost award was successful. The effect of that will be reported in future months as we are still awaiting final costs.

Staff turnover remains high and recruiting to vacant posts continues to be difficult.

The Local Plan process has generated the submission of a small number of high fee applications. The effect of the emerging Plan on Development Management will be closely monitored.

**Richard Morris**  
**Chief Officer Planning & Regulatory Services**  
**February 2020**