

<b>Cabinet</b>	
<b>Meeting Date</b>	18 March 2020
<b>Report Title</b>	Financial Management Report – April to December 2019
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	Nick Vickers, Chief Financial Officer
<b>Head of Service</b>	Nick Vickers, Chief Financial Officer
<b>Lead Officer</b>	Phil Wilson, Financial Services Manager and Caroline Frampton, Principal Accountant
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Forward Plan</b>	Reference number:
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. Note the projected revenue underspend on services of £33,000 (Table 1 refers).</li> <li>2. Note the capital expenditure of £14,918,000 to end of December 2019 (Paragraph 3.19 and Appendix I Table 2 refers).</li> <li>3. To approve the capital variance and its funding as detailed in paragraph 3.21 and Appendix I Table 2.</li> </ol>

## **1. Purpose of Report and Executive Summary**

1.1 This report sets out the revenue and capital projected outturn position for 2019/20 as at the end of December 2019. The report is based on service activity up to the end of December 2019 and is collated from monitoring returns from budget managers.

1.2 The headline figures are:

- total revenue underspend of £33,000;
- capital expenditure of £14,918,000.

## **2. Background**

2.1 The Council operates a budget monitoring process at Head of Service level, with regular reports to the Leader and Cabinet Member for Finance, the Deputy Cabinet Member for Finance and the Strategic Management Team.

2.2 Financial monitoring reports are presented to Cabinet on a quarterly basis, as well as to Scrutiny Committee.

### 3. Proposals

#### Revenue Outturn

3.1 As at the end of December 2019 the forecast revenue underspend projected to 31 March 2020 is £33,000.

**Table 1: Projected Variance by Service**

Service	Service Manager	Working Budget £	Projected Outturn £	Projected Variance £
Chief Executive	M. Radford	331,280	247,280	(84,000)
Democratic Services	D. Clifford	1,114,370	1,012,370	(102,000)
Policy, Communications & Customer Services	D. Clifford	1,203,400	1,139,400	(64,000)
Director of Regeneration	E. Wiggins	185,460	185,460	0
Commissioning, Environment & Leisure	M. Cassell	5,440,880	5,285,880	(155,000)
Planning	J. Freeman	819,390	947,390	128,000
Housing, Economy & Community	C. Hudson	2,988,380	3,451,380	463,000
Finance	N. Vickers	803,120	793,120	(10,000)
Revenues & Benefits	Z. Kent	(245,200)	(575,200)	(330,000)
Property	A. Adams	343,950	373,950	30,000
Licensing & Resilience	D. Fackrell	47,000	2,000	(45,000)
Environmental Health	T. Beattie	591,070	570,070	(21,000)
Information Technology	C. Woodward	1,202,260	1,186,260	(16,000)
Audit	R. Clarke	176,480	174,480	(2,000)
Human Resources	B. Sandher	437,280	436,280	(1,000)
Legal	P. Narebor	461,590	391,590	(70,000)
Sittingbourne Regeneration	N. Vickers	0	139,000	139,000
STC - Retail Park	N. Vickers	182,000	(45,000)	(227,000)
Contributions to Reserves from services shown above	N. Vickers	0	227,000	227,000
Corporate Items	N. Vickers	2,607,290	2,714,290	107,000
<b>NET REVENUE SERVICE EXPENDITURE</b>		<b>18,690,000</b>	<b>18,657,000</b>	<b>(33,000)</b>
<b>Financed by:</b>				
Revenue Support Grant		(113,000)	(113,000)	0
Business Rates		(8,083,000)	(8,083,000)	0
New Homes Bonus		(1,875,000)	(1,875,000)	0
Council Tax Requirement		(8,258,000)	(8,258,000)	0
<b>TOTAL FINANCING</b>		<b>(18,329,000)</b>	<b>(18,329,000)</b>	<b>0</b>
<b>NET EXPENDITURE (Contribution (to)/ from General Fund</b>		<b>361,000</b>	<b>328,000</b>	<b>(33,000)</b>

The Working Budget shows the service expenditure being more than the income in the year so the General Fund was budgeted to reduce by £361,000. The projected outturn forecasts that the service expenditure will be greater than the income in the year so the General Fund is forecast to decrease by £328,000.

## **Business Rates**

- 3.2 The Council is budgeted to collect £48m of business rates in 2019/20. After the complicated system of levies and tariffs has been accounted for, the Council is forecast to receive £7.8m.
- 3.3 Council has previously agreed to the establishment of a Business Rates Volatility Reserve, in order to assist the Council in managing the anticipated volatility in business rate income resulting from the introduction of business rate localisation from 2013/14. There are a number of causes of this volatility, such as new businesses opening, existing business growing or closing, rating appeals, and collection rates. The balance on the reserve is currently £4.9m.
- 3.4 The Business Rates Collection Fund has set aside £10m for appeals, of which our share is £4m. In July 2019 we were notified of a successful business rate appeal by Morrisons for their major warehouse on the 2010 rating list. The one-off cost charged to the provision for appeals is £2.5m and the ongoing impact is a £400k reduction in business rates income. However, the effect on future years' business rates income has been offset to an extent as a result of a change in the methodology used for calculating the cost of potential appeals for the 2017 rating list.
- 3.5 The Council has benefitted very significantly from the localisation of business rates, but the Morrisons outcome does show how volatile this income stream can be.

## **Use of Reserves**

- 3.6 The administration views the Reserves as being an essential part of funding one off expenditure. This section of the report will update on the initiatives underway.

## **Special Projects Fund**

- 3.7 The Special Projects Fund was set up by Cabinet at its July 2019 meeting. The terms of reference are:
- (1) The fund will be used to deliver tangible projects for the residents of the borough making the public spaces cleaner and better presented;
  - (2) We will seek an equitable allocation of resources across all parts of the borough.
- 3.8 It was agreed at Cabinet on 10 July 2019 (minute 122/07/2019) that £1m per annum will be transferred from Reserves to the Special Projects Fund. This Fund replaces the Regeneration Fund.
- 3.9 Special Project Fund approvals to 31 December 2019 are detailed in Appendix I Table 4.

3.10 At least initially the projects will be focussed on areas within the Environment portfolio. The two main themes will be:

- (1) Improvements to the public realm including high streets, green spaces and seafronts, and
- (2) Projects to support the achievement of the climate change motion agreed by Council.

3.11 If Members wish to make a Special Projects Fund bid then they should approach the relevant Cabinet Member with a project proposal, a rationale and the costings. Sign off of each bid is by the relevant Cabinet Member and Head of Service, and then the Leader and Cabinet Member for Finance and the Chief Financial Officer.

### **Communities Fund**

3.12 Cabinet in December agreed to allocate an additional £500k to the Communities Fund from the General Reserve.

3.13 The commitments against the Communities Fund are summarised in paragraph 3.17 and details of the funds approved in 2019/20 are in Appendix I Table 4.

### **Other Funds**

3.14 The Housing and Commercial Growth Fund is kept to fund affordable housing borrowing costs. This has £1.7m available.

3.15 There is a shared business rate pot with Kent County Council and this has been used in the past to fund a contribution to the Lower Road on Sheppey and towards the Visitor Economy Strategy (both £250k).

3.16 Cabinet in December agreed to allocate a further £250k from the shared business rate pot to fund the Heritage Strategy.

3.17 Table 2 below details the movements on the Funds up to end of December 2019. Further details regarding the funds committed in 2019/20 are detailed in Appendix I Table 4.

**Table 2: Funds**

<b>Funds</b>	<b>Balance as at 1 April 2019</b>	<b>Topping up/ transfer of funds in 2019/20</b>	<b>Funds committed prior to 2019/20</b>	<b>Funds committed (refer to Appendix I Table 4) 2019/20</b>	<b>Funds not yet committed</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Special Projects	0	1,135	0	(860)	275
Performance	494	0	(257)	0	237
Communities	121	500	(44)	(164)	413
Pension & Redundancy	86	0	0	9	95
Regeneration	437	(135)	(248)	(54)	0
Local Loan Fund	175	0	0	0	175
<b>TOTAL</b>	<b>1,313</b>	<b>1,500</b>	<b>(549)</b>	<b>(1,069)</b>	<b>1,195</b>

### **Capital Expenditure**

3.18 Table 2 in Appendix I details the actual capital expenditure and highlights any variations.

3.19 Actual expenditure to end of December 2019 was £14,918,000. This represents 63% of the revised budget.

3.20 The revised budget includes the capital rollovers from 2018/19 approved by the July Cabinet.

3.21 Approval is sought from Cabinet to fund additional expenditure on Sittingbourne Town Centre. This is to be financed from borrowing.

### **Payment of Creditors**

3.22 The outturn for payment of creditors for 2019/20 to date was 96.80% paid within 30 days of receipt of invoice, against the target of 97%.

### **Sundry Debtors**

3.23 Tables 3.1 and 3.2 in Appendix I analyse the sundry debt outstanding.

## 4. Alternative Options

- 4.1 This report meets the requirements of the constitution and the financial regulations to report on the finances of the Council on a quarterly basis. To consider the approval of funding of specified initiatives.

## 5. Consultation Undertaken or Proposed

- 5.1 Heads of Service and Strategic Management Team have been consulted in preparing this report.

## 6. Implications

Issue	Implications
Corporate Plan	Good financial management is key to supporting the emerging Corporate Plan objectives.
Financial, Resource and Property	As detailed in the report.
Legal and Statutory	None identified at this stage.
Crime and Disorder	None identified at this stage.
Environmental Sustainability	None identified at this stage.
Health & Wellbeing	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

## 7. Appendices

- 7.1 The following documents are published with this report and form part of the report:
- Appendix I: Financial Monitoring Report Tables as at the end of December 2019.

## 8. Background Papers

- 8.1 Cabinet Medium Term Financial Plan and Budget 2019/20

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

<b>Net (under)/overspend / income shortfall for 2019/20 by service</b>		
<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>	<b>Explanation</b>
<b>CHIEF EXECUTIVE – Cllr R Truelove (Mark Radford)</b>		
Chief Executive & Corporate Costs	(84)	(£67k) Underspend – net salaries; (£9k) Net savings – special projects; (£8k) Underspend – external audit fee.
<b>TOTAL</b>	<b>(84)</b>	
<b>DEMOCRATIC SERVICES – Cllr R Truelove (David Clifford)</b>		
Democratic Process	(90)	(£29k) Underspend – net salaries; (£26k) Underspend – members' allowances; (£13k) Underspend – members' travel costs; (£8k) Underspend – training costs; (£14k) Reduced net expenditure.
MKS Shared Service Corporate Costs	(8)	(£8k) Reduced costs.
Elections & Electoral Registration	(4)	(£2k) Reduced costs postage, etc; (£2k) Additional fees and charges income and contributions towards costs.
<b>TOTAL</b>	<b>(102)</b>	
<b>POLICY, COMMUNICATIONS AND CUSTOMER SERVICES – Cllr R Truelove (David Clifford)</b>		
Policy	(11)	(£8k) Underspend – net salaries; (£3k) Net underspend.
Communications	(15)	(£16k) Underspend – net staff costs; £1k Net additional costs.
Customer Services	(28)	(£18k) Underspend – net staff costs; (£3k) Underspend – postage costs; (£7k) Net underspend.
Information Governance	(10)	(£10k) Underspend – net staff costs.
<b>TOTAL</b>	<b>(64)</b>	
<b>REGENERATION – Cllr M Bonney (Emma Wiggins)</b>		
Regeneration	-	Nil variance reported.
<b>TOTAL</b>	<b>-</b>	

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
<b>COMMISSIONING, ENVIRONMENT AND LEISURE – Cllr A Harrison, Cllr T Valentine (Martyn Cassell)</b>		
Commissioning, Contracts and Procurement	(94)	(£87k) Underspend – net salaries; (£8k) Savings equipment purchase and maintenance; £1k Net other costs.
Client & Amenity Services and Technical Services	(22)	(£29k) Net Staff cost savings; £11k Additional agency costs; (£4k) Net savings other supplies & services.
Environmental Response Team	(56)	(£29k) Net savings Fixed Penalty Notices (FPNs); £17k Additional Environmental Initiative Grants paid out (offset by FPN Savings); (£13k) Savings equipment purchase; (£13k) Net additional income licences issued, recovery of fees and pest control contract commission and reduced BT contribution; (£7k) Savings travel/transport costs; (£2k) Staff costs savings; (£9k) Net other savings. <b>N.B. Section 96 of the Clean Neighbourhoods and Environment Act of 2005 advised that income must be spent on “qualifying functions”. A surplus of £25k will be transferred to the ring fenced account at year end.</b>
Leisure & Sports Centres	(2)	£15k loss of income (Sport England Grant reserved since 2016/17 no longer realistic to expect); £9k Net additional costs leisure centres operational agreement (£16k additional contract costs and (£7k) savings energy costs); (£28k) Savings leisure centres maintenance agreement; £2k other additional costs.



**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Sports Pitches & Pavilions, Parks & Open Spaces, Countryside & Country Parks, and Allotments	43	£95k Overspend on premises costs ( <i>incl. £43k necessary H&amp;S repairs to play areas, £20k hire temporary changing rooms Faversham Rec. Gnd. and £7k works to ponds at Milton Country Park</i> ); (£41k) Net additional fees/rent/recovery of costs/grants and other miscellaneous income; (£15k) Savings grants expenditure; (£9k) Net savings equipment purchase/maintenance costs; £5k Additional salary costs; £4k Pest Control additional costs; £4k Additional other costs.
Community Halls & Centres	2	£5k Additional grant Faversham Pools; (£3k) Gas and trade waste savings, King George pavilion, Sittingbourne.
Grounds Maintenance	(15)	(£15k) Net contract savings.
Cemeteries and Closed Churchyards	(19)	(£18k) Additional interment fees; (£1k) Net other income.
Refuse Collection / Street Cleansing / Public Conveniences / Recycling & Waste Minimisation	(168)	(£39k) Net additional income wheeled bins; (£45k) Contract costs savings – performance penalties; (£57k) Additional income – garden waste collection; (£26k) Net additional income Special Collections; (£7k) Savings Public Conveniences premises; £7k Additional Litter Bins maintenance; (£1k) Net other additional income. <i>NB Wheeled bins purchase additional expenditure of £94k to be met from reserves.</i>
Seafront, Harbour & Quays, Coast Protection and Flood Preparation	21	£5k Additional salary costs, Seafront; £4k income unachieved from Southern Water; £6k Additional contractor costs - seafront; £5k Additional travel expenses; (£3k) Additional income memorial benches; £1k Net Reduced income Beach Huts; £3k Net other costs.

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Multi-Storey Car Park (MSCP)	120	£50k Business Rates; £30k Property Management Costs; £21k Equipment purchase; £11k Building Maintenance; £9k Signage; £8k Electricity; £8k Deep Cleaning; £10k Other Fees & Services; (£27k) Fees income receivable.
Highways	2	£2k Footway Lighting additional contractor costs.
Parking Management	33	£73k Net reduced income – car parks pay and display fees <i>(average monthly income from off-street parking per quarter was £159k at quarter 3, £171k at quarter 2 and £157k at quarter 1);</i> £34k Net additional car park equipment purchase, maintenance costs, licences and other fees; £9k Additional costs – Parking Partnership Maidstone Borough Council; £7k Season Ticket reduced income; (£34k) Additional Income – Residents Parking permits and voucher parking; (£13k) Staff cost savings; (£10k) Saving Cash Security costs; (£7k) Net income on and off-street Penalty Charge Notices (PCN's) incl. cost of new automated customer service; (£7k) Net additional income traffic orders; (£6k) Parking Adjudication Fees; (£2k) Savings car parks Business Rates; (£11k) Net other savings. <b>N.B. A deficit of £12k relating to on-street parking will be transferred to the ring fenced on-street parking account under Section 55 of the Road Traffic Act 1984 at year end.</b>
<b>TOTAL</b>	<b>(155)</b>	
<b>PLANNING – Cllr M Baldock (James Freeman)</b>		
Building Control/ Dangerous Structures	2	£2k Additional expenditure re dangerous structures.

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Local Land Charges	65	£70k Reduced income from land charges - fewer searches being requested due to slow down in the housing market; (£5k) Reduced costs – Mid Kent Planning Service.
Planning Support	(30)	(£30k) Reduced costs – Mid Kent Planning Service.
Local Planning & Conservation	(28)	(£28k) Reduced costs – Conservation & Design.
Development Control/Services	119	(£110k) Reduced net salary costs;  £235k Reduced income – planning fees. A slowdown in the number of significant major planning applications as existing local plan allocations have come forward for determination;  £30k Reduced income – S106 monitoring fees;  (£70k) Net additional Income – Planning Performance Agreement (PPA) offset by reduced pre-application advice income;  £25k Additional costs – legal fees / planning consultancy advice;  £9k Net additional costs.  <i>Note: £245k estimated for additional consultancy costs for defending two public enquiries on planning applications and extended determination periods for handling major planning applications. Major appeals inquiries start 2020/21. To be funded from reserves. Costs could be higher if the Council has to pay legal costs if appeal unsuccessful.</i>
<b>TOTAL</b>	<b>128</b>	

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
<b>HOUSING, ECONOMY AND COMMUNITY SERVICES – Cllr B Martin, Cllr T Valentine, Cllr R Palmer, Cllr M Bonney, Cllr A Harrison (Charlotte Hudson)</b>		
<b>Economy &amp; Community Services: -</b>		
CCTV	(29)	(£14k) Line rental savings; (£13k) Monitoring service savings; (£2k) Additional contribution income.
Community Safety	(1)	£5k Net staff cost savings; (£5k) Fees & services savings; (£3k) Additional grant income; £2k Additional transport costs.
Learning & Skills	2	£5k Additional agency staff costs; (£3k) Savings fees & services.
Members Grants and Community Services	-	Nil variance reported
Economy & Community Services, Cultural & Economic Development	7	£7k Additional Staff costs; £1k Additional Transport costs; (£1k) Savings Consultancy/Specialist advice.
Tourism & Heritage	(2)	(£1k) Savings staff costs; (£5k) Grant savings; £4k Additional fees & services; £1k Additional Advertising; (£1k) Additional Licences income.
Markets	(5)	(£5k) Net additional rental income.
Sports Development	(9)	(£8k) Net salary savings; (£1k) Net transport costs savings.
Youth	(4)	(£4k) Savings Youth Diversion Project.
<b>Sub-total</b>	<b>(41)</b>	

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
<b>Housing: -</b>		
Homelessness Temporary Accommodation	480	<p>Net additional homelessness costs, being: £831k accommodation costs, (£353k) net housing benefit income, £13k additional storage costs, (£25k) contributions to rent and repaid deposits, £1k net costs Landlord Incentive Scheme and £13k net other costs.</p> <p><i>Note: Rollovers of £190k Ring-Fenced grants (Homelessness Prevention £34k, Flexible Housing Support £77k, New Burdens £38k and Rough Sleeper Initiative £41k) will be requested at year end which have not been reflected in figures above.</i></p> <p>Number of bookings in year to end of December 2019 is 2,170 compared to this time last year of 1,853. In addition, the average cost per booking has increased by £117 (22.9%).</p>
Homelessness Temporary Houses	10	£9k Loss of rental income; £2k Net additional utilities and Council Tax costs; (£1k) Net other savings.
Housing Advice / Options	16	(£39k) Staff costs savings; £56k Additional Agency/Contract staff costs; (£1k) Other savings.
Private Sector Housing	5	£6k Additional salary costs; (£1k) Net miscellaneous costs savings.
Housing Development and Strategy	(7)	(£7k) Salary costs savings.
Stay Put Scheme	0	£13k Disabled Facilities Grant (DFG) Fee income less than budgeted; (£3k) Additional grants, donations and fee income; £213k Premises costs to be funded by DFG; (£213k) DFG grant to fund expenditure; (£10k) A deficit of £10k will be taken from the Stay Put Scheme reserve at year end.
<b>Sub-total</b>	<b>504</b>	
<b>TOTAL</b>	<b>463</b>	

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
<b>FINANCE – Cllr R Truelove (Nick Vickers)</b>		
Financial Services	(10)	(£10k) Net underspend.
<b>TOTAL</b>	<b>(10)</b>	
<b>PROPERTY SERVICES – Cllr M Bonney (Anne Adams)</b>		
Property Services	(13)	(£30k) Underspend net salary costs; £17k Additional expenditure – Printing costs (equipment maintenance, rental and increased paper costs).
Administrative Buildings	30	(£4k) Underspend net salary costs; £32k Additional expenditure on security – Swale House; £2k Reduced rental income and property charges – Central House;
Property Management	13	£7k Reduced income – rental income; £4k Additional expenditure net; £2k Additional expenditure – electric car.
Building Maintenance	-	<b>N.B. Any variance on building maintenance will be transferred at year end to the ring-fenced reserve to be used solely to fund building maintenance expenditure in future years.</b>
<b>TOTAL</b>	<b>30</b>	

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
<b>REVENUES &amp; BENEFITS – Cllr R Truelove (Nick Vickers)</b>		
		(£140k) Additional income - Department for Works and Pensions Housing Benefit Grant; £32k Reduction in Benefit Admin Subsidy; (£57k) Staff cost savings; <b>N.B. The net saving of (£165k) detailed above will be transferred to reserves at year end.</b>
	(330)	£10k Increased expenditure on net Housing Benefits; (£50k) Additional income – from recovery of over payments of Housing Benefits; (£34k) Additional income – recovery of Council Tax benefit overpaid and recovery of Council Tax costs; (£16k) Additional income – recharge to Collection Fund NNDR; (£14k) Reduced costs Fraud Partnership with Maidstone Borough Council; (£20k) Reduced costs re court costs; (£18k) Reduced costs re postage; (£14k) Reduced external audit fees; (£6k) Additional income MKS Debt Enforcement Partnership share of surplus; (£3k) Net additional savings.
<b>TOTAL</b>	<b>(330)</b>	
<b>ENVIRONMENTAL HEALTH – Cllr T Valentine (Tracey Beattie)</b>		
Environmental Health Mid Kent Service	(23)	(£23k) Variance on shared service with Tunbridge Wells Borough Council as a result of vacant posts.
Environmental Services	2	£2k Net underspend/additional income on client side.
<b>TOTAL</b>	<b>(21)</b>	

**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
<b>LICENSING &amp; RESILIENCE PLANNING – Cllr R Palmer (Della Fackrell)</b>		
Resilience Planning	4	£4k Additional expenditure.
Licensing	(49)	£21k Reduced income – Gambling licence fees; (£28k) Additional income – Hackney Carriage licences; (£26k) Additional income – General licence fees; (£8k) Reduced expenditure – salary costs; (£8k) Net reduced costs. <b>N.B. A net underspend of £49k on Hackney Carriage licences and other licences will be transferred to the ring-fenced reserve under the Local Government Act 1976 at year end. This reserve is to be used to fund Licensing related expenditure in future years.</b>
<b>TOTAL</b>	<b>(45)</b>	
<b>IT SERVICES – Cllr R Truelove (Chris Woodward)</b>		
Telecommunications	(24)	(£24k) Reduced expenditure on equipment maintenance and costs of telephones.
IT Maintenance and Software	-	Nil variance on IT maintenance and software. <b>N.B. Any variance will be transferred to the ring-fenced reserve to be used solely to fund IT related expenditure in future years.</b>
Mid Kent ICT	8	£8k GIS Additional expenditure
<b>TOTAL</b>	<b>(16)</b>	
<b>INTERNAL AUDIT – Cllr R Truelove (Rich Clarke)</b>		
Mid Kent Audit Services	-	Nil variance reported.
Risk Management	(2)	(£2k) variance reported.
<b>TOTAL</b>	<b>(2)</b>	
<b>HUMAN RESOURCES – Cllr R Truelove (Bal Sandher)</b>		
Mid Kent Human Resources	-	Nil variance reported on shared service with Maidstone Borough Council.
Organisational Development	(1)	(£1k) variance reported.
<b>TOTAL</b>	<b>(1)</b>	



**Table 1 – Main Variations by Service as at the end of December 2019 by Service**

Net (under)/overspend / income shortfall for 2019/20 by service		
Service – Cabinet Member (Head of Service)	£'000	Explanation
<b>LEGAL – Cllr R Truelove (Patricia Narebor)</b>		
Legal MKLS	(79)	(£2k) Reduced expenditure – salary costs; (£73k) Additional income as a result of Swale's usage of the service being below the budgeted level. Therefore additional income expected from Maidstone Borough Council and Tunbridge Wells Borough Council; (£4k) Net reduced costs.
External Legal Fees	(18)	(£18k) Reduced expenditure.
S106 Income	27	£27k Reduced income.
<b>TOTAL</b>	<b>(70)</b>	
<b>NON-SERVICE BUDGETS</b>		
Sittingbourne Town Centre	139	£11k Additional salary costs; £105k Property Management costs; £40k Operational Management costs; (£17k) Recovery of costs.
STC – Retail Park	(227)	(£246k) Additional income – rental income Princes Street Retail Park (total rental income for year £495k); £19k Property Management costs.
Transfer to Reserves	227	£227k Net contribution to reserves from ring fenced services as detailed below: - Parking Management (£12k) Licences £49k Revenues & Benefits £165k FPN surplus £25k
Corporate	107	£19k Broker fees; £14k Reduction in cash flow offset by an improved return on our investments; £74k Net additional expenditure.
	<b>(33)</b>	<b>Projected Net Expenditure Underspend</b>

Table 2 – Capital Programme 2019/20 Outturn as at end of December 2019

Capital Scheme	Funding SBC/ Partnership (P)	2019/20 Original Budget £	2019/20 Revised Budget £	2019/20 Actual to Date £	2019/20 Projected Variance £	Ref
<b>Housing, Economy &amp; Community Services – C. Hudson</b>						
CCTV - Reserves - Repairs & Renewals	SBC	15,000	30,000	0	0	
CCTV Monitoring Control Centre - Reserves	SBC	0	250,000			
The Mill Project, Sittingbourne Skate Park - S106/Capital Grant	P	15,000	16,350	0	0	
The Mill Project, Sittingbourne Skate Park - Capital Receipts	SBC	150,000	200,000	161,825	0	
Faversham Creek Basin Regeneration Project – Capital Receipts	SBC	200,000	200,000	0	0	
Land plots, Crown Quay Lane incl. CPO's and Creek frontage	SBC	0	0	5,775	0	
Sittingbourne Town Centre – Cinema Complex	SBC	14,212,758	15,250,640	9,879,560	0	
Sittingbourne Town Centre - Other Assets	SBC	0	0	1,714,044	1,480,000	(1)
Sittingbourne Town Centre - Multi Storey Car Park	SBC	0	0	192,626	0	
Disabled Facilities Grants - External Grant	P	2,062,800	3,676,730	1,109,455	0	
Housing Repair Grants Over 60 – from recycled capital receipts	SBC	0	0	2,310	0	
Winter Warmth Grants – from recycled capital receipts	SBC	0	0	10,887	0	
Decent Home Loans Owner Occupier – from recycled capital receipts	SBC	0	0	7,150	0	
<b>Total Housing, Economy &amp; Community Services</b>		<b>16,655,558</b>	<b>19,623,720</b>	<b>13,083,632</b>	<b>0</b>	

Table 2 – Capital Programme 2019/20 Outturn as at end of December 2019

Capital Scheme	Funding SBC/ Partnership (P)	2019/20 Original Budget £	2019/20 Revised Budget £	2019/20 Actual to Date £	2019/20 Projected Variance £	Ref
<b>Commissioning, Environment &amp; Leisure – M. Cassell</b>						
Barton's Point Coastal Park – Replacement Bridge	SBC	0	120,000	0	0	
Faversham Recreation Ground Improvement – External Grant	P	1,103,000	1,103,000	843,220	0	
Faversham Recreation Ground Improvement – Reserves	SBC	0	50,000	0	0	
Faversham Recreation Ground Improvement – S106	P	225,920	225,920	0	0	
Gunpowder Works Oare Faversham -S106	P	0	9,000	0	0	
Leisure Centres – Internal/External Borrowing	SBC	0	1,079,000	756,723	0	
Car Park Improvement/Enhancement: Disabled Bays, Beach Street, Sheerness – Reserves	SBC	0	21,570	0	0	
Milton Creek Country Park Access Road – Reserves	SBC	40,000	40,000	0	0	
New Play Area – Iwade Scheme	P	45,000	45,000		0	
Hugh Price Close Play Area Improvements – External Grant	P	0	30,000	0	0	
Open Spaces Project Play Equipment – S106 Grant	P	226,000	226,000	17,781	0	
Play Improvements Project – Reserves	SBC	150,000	0	0	0	
Rectory Road Playing Field – Reserves	SBC	0	51,510	51,508	0	
Open Spaces Project – Balas Drive – External Grant	P	0	1,000	1,000	0	
Open Spaces Project – Balas Drive – Reserves	SBC	0	10,000	10,070	0	
Open Spaces Project – Diligent Drive – Reserves	SBC	0	18,000	0	0	
Open Spaces Project – Minster Leas – Reserves	SBC	0	22,000	20,247	0	
Open Spaces Project – Minster Leas – External Grant	P	0	9,000	9,000	0	

Table 2 – Capital Programme 2019/20 Outturn as at end of December 2019

Capital Scheme	Funding SBC/ Partner-ship (P)	2019/20 Original Budget £	2019/20 Revised Budget £	2019/20 Actual to Date £	2019/20 Projected Variance £	Ref
Open Spaces Project – Milton Creek Country Park – Reserves	SBC	0	27,200	27,184	0	
Open Spaces Project – Shellness Road – Reserves	SBC	0	30,000	0	0	
Open Spaces Project – Shellness Road – External Grant	P	0	15,000	0	0	
Open Spaces Project – Shellness Road – S106 Grant	P	0	11,750	0	0	
Open Spaces Project – Rectory Play Field – S106 Grant	P	0	20,000	19,999	0	
Public Toilets - Forum Sittingbourne – Capital Receipts	SBC	0	50,000	0	0	
Public Toilets - Central Car Park Faversham – Capital Receipts	SBC	0	40,000	0	0	
Modular Toilet Kiosk - Milton Creek Country Park – Capital Receipts	SBC	0	150,000	0	0	
Public Toilets/Showers – Barton’s Point – Capital Receipts	SBC	0	100,000	0	0	
Public Toilets - Spinney Leysdown – Capital Receipts	SBC	0	40,000	0	0	
Modular Toilet Kiosk - Minster Leas – Capital Receipts	SBC	30,000	80,000	0	0	
Modular Toilet Kiosk - Minster Leas – Reserves	SBC	0	30,000	0	0	
Resurfacing Promenade, The Leas – External Grant	P	84,970	84,970	5,000	0	
Wheeled Bins – Reserves	SBC	0	94,000	0	0	
<b>Total Commissioning, Environment &amp; Leisure</b>		<b>1,904,890</b>	<b>3,833,920</b>	<b>1,761,732</b>	<b>0</b>	

Table 2 – Capital Programme 2019/20 Outturn as at end of December 2019

Capital Scheme	Funding SBC/ Partnership (P)	2019/20 Original Budget £	2019/20 Revised Budget £	2019/20 Actual to Date £	2019/20 Projected Variance £	Ref
<b>Environmental Health – T. Beattie</b>						
Replacement of Air Pollution Monitoring Station	SBC	0	49,050	0	0	
<b>Total Environmental Health</b>		<b>0</b>	<b>49,050</b>	<b>0</b>	<b>0</b>	
<b>Property – A. Adams</b>						
New Folder/Inserter machine in Print Room	SBC	0	20,110	20,106	0	
<b>Total Property Services</b>		<b>0</b>	<b>20,110</b>	<b>20,106</b>	<b>0</b>	
<b>Finance – N. Vickers</b>						
Finance System Upgrade - Reserves	SBC	0	5,210	2,850	0	
<b>Total Finance</b>		<b>0</b>	<b>5,210</b>	<b>2,850</b>	<b>0</b>	
<b>ICT – C. Woodward</b>						
ICT infrastructure – firewall and implementation	SBC	91,200	50,000	49,666	0	
ICT equipment replacement	SBC	0	42,500	0	0	
<b>Total Information Technology</b>		<b>91,200</b>	<b>92,500</b>	<b>49,666</b>	<b>0</b>	
Total Capital Programme Funded by SBC	SBC	<b>14,888,958</b>	<b>18,150,790</b>	<b>12,912,531</b>	<b>0</b>	
Total Capital Programme Funded by Partners	P	<b>3,762,690</b>	<b>5,473,720</b>	<b>2,005,455</b>	<b>0</b>	
<b>Total Capital Programme</b>	<b>SBC &amp; P</b>	<b>18,651,648</b>	<b>23,624,510</b>	<b>14,917,986</b>	<b>0</b>	

Notes :- (1) financed from borrowing.

**Table 3.1: Sundry Debt Outstanding (including not due) by Due Date**

	<b>December 2019</b> <b>£'000</b>	<b>December 2018</b> <b>£'000</b>
Not Due (less than 1 month)	407	221
1-2 Months	89	368
2-6 months	187	48
6-12 months	217	78
1-2 years	15	28
2-3 years	28	17
3-4 years	12	31
4-5 years	13	6
5-6 years	19	3
6 years +	30	34
<b>Total</b>	<b>1,017</b>	<b>834</b>
<b>Total due (over 1 month)</b>	<b>610</b>	<b>613</b>
<b>% Total over 1 month</b>	<b>60%</b>	<b>74%</b>

Notes: -

The December 2019 figures have been adjusted to exclude any large debts that have since been paid.

2-6 months includes £93k relating to a S106 planning agreement and £57k relating to one company;

6-12 months includes £147k Re Sittingbourne Regeneration – Network Rail and £28k relating to one company.

2-3 years includes £6k charges on property.

6 years + includes £21k charges on property. The balance are rent deposit debts which are being paid off via payment plans.

**Table 3.2: Sundry Debt due by Head of Service**

	<b>December 2019</b> <b>£'000</b>	<b>December 2018</b> <b>£'000</b>
Property	201	115
Commissioning, Environment & Leisure	35	364
Housing, Economy & Communities	230	109
Environmental Health	1	1
Planning	14	0
Communications	1	0
Other	128	24
<b>Total</b>	<b>610</b>	<b>613</b>

Notes:

'Other' in December 2019 includes £88k S106 planning agreement.

Table 4

	<b>Allocated to January 2020 £'000</b>
<b>Special Project Fund</b>	
Carbon Management Plan 2019 – 2023	19
Parks Infrastructure Fund	150
Fuel and Water Poverty Outreach Service	48
Project Support Surveyor	45
Playground Improvements	40
Recycling Bins on main bathing beaches	5
Faversham Swimming Pool Boiler Replacement	93
Deep Clean in The Four Air Quality Monitoring Areas	50
Clean Air Action Zone Feasibility Study	50
Eco Stars (Continued Participation)	5
KM Schools Walk to School Project	1
Engaging and Delivering for Our Communities	75
Sheppey Hall Improvements	40
Restoring the Artesian Well at Oare Marshes	10
St. Anne's Footbridge Lighting	10
Traffic Pollution Additional Planting on SBC Land	40
Climate and Ecological Emergency	7
The Mill Skatepark	40
School Trees Planting	20
Survey of Local Haulage and Bus Companies Along the A2 On Vehicle Fleet	10
Upgrade 8 Planned EV Charging Points	32
Newington Play Area	20
Painters Forstal Community Hall	50
<b>Total Special Project Fund Approved as at 31 January 2020</b>	<b>860</b>
<b>Communities Fund</b>	
Volunteer Swale Awards 2019/20	5
Salt Giveaway	4
20's Festival	25
Food Bank	30
Murston Old Church	100
<b>Total Communities Fund Approved as at 31 January 2020</b>	<b>164</b>

	<b>Allocated to January 2020 £'000</b>
<b>Pension &amp; Redundancy Fund</b>	
Pension and Redundancy accrual difference	-9
<b>Total Pension &amp; Redundancy Fund as at 31 January 2020</b>	<b>-9</b>
<b>Regeneration Fund</b>	
Members Grants 2019/20	54
<b>Total Regeneration Fund Approved as at 31 January 2020</b>	<b>54</b>