

Cabinet	Agenda Item:
Meeting Date	23 September 2020
Report Title	Financial Management Report – First Quarter 2020/21
Cabinet Member	Cllr Roger Truelove, Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Nick Vickers, Chief Financial Officer
Lead Officer	Phil Wilson, Financial Services Manager and Caroline Frampton, Principal Accountant
Key Decision	Yes
Classification	Open
Forward Plan	Reference number: 3
Recommendations	<ol style="list-style-type: none"> 1. To note the total projected revenue overspend of £2,555,000. 2. To note the projected capital underspend of £6,400 and expenditure of £2,075,031 as detailed in paragraph 3.30 and Table 10 appendix I. 3. To approve the transfer of £1m from the Business Rates Volatility Reserve to the Special Projects Fund as detailed in paragraph 3.26. 4. To approve the transfer of £100k from the General Fund to the Pension/Redundancy Fund as detailed in paragraph 3.26. 5. To note the additional Government funding received by the Council in response to the coronavirus.

1. Purpose of Report and Executive Summary

1.1 This report sets out the revenue and capital projected outturn position for 2020/21 as at the end of June 2020. The report is based on service activity up to the end of June 2020 and is collated from monitoring returns from budget managers. There has been some updating for developments since the end of the quarter.

1.2 The headline figures are:

- projected total revenue overspend of £2,555,000 - Table 1;
- the projected impact of the Coronavirus pandemic is £2,832,000;
- projected capital underspend of £6,400 – Table 10 appendix I.

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 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 June 2020 the forecast revenue overspend projected to 31 March 2021 is £2,555,000.

Table 1 - Projected Variance by Service at 30 June

Service	Service Manager	Working Budget £	Projected Outturn £	Projected Variance £
Chief Executive		330,270	196,270	(134,000)
Policy, Communications & Customer Services	D. Clifford	1,238,140	1,176,140	(62,000)
Democratic Services	D. Clifford	1,016,830	981,830	(35,000)
Director of Regeneration	E. Wiggins	198,110	167,110	(31,000)
Housing, Economy & Community Planning	C. Hudson	3,533,750	4,054,750	521,000
Commissioning, Environment & Leisure	J. Freeman	826,390	1,188,390	362,000
Finance	M. Cassell	6,015,760	7,188,760	1,173,000
Revenues & Benefits	N. Vickers	0	(31,000)	(31,000)
Property	Z. Kent	(145,230)	54,770	200,000
Licensing & Resilience	A. Adams	1,928,250	1,933,250	5,000
Environmental Health	D. Fackrell	60,780	60,780	0
Information Technology	T. Beattie	567,190	567,190	0
Internal Audit	C. Woodward	1,290,910	1,290,910	0
Human Resources	R. Clarke	170,740	170,740	0
Legal	B. Sandher	446,410	446,410	0
Sittingbourne Regeneration	P. Narebor	523,860	491,860	(32,000)
STC - Cinema/Hotel/Restaurants	N. Vickers	0	82,000	82,000
STC - Retail Park	N. Vickers	(574,290)	(391,290)	183,000
Contributions to Reserves from services shown above	N. Vickers	(471,400)	(471,400)	0
Corporate Items	N. Vickers	0	234,000	234,000
NET REVENUE SERVICE EXPENDITURE		19,381,040	21,936,040	2,555,000
Financed by:				
Revenue Support Grant		(115,000)	(115,000)	0
Business Rates		(9,000,000)	(9,000,000)	0
New Homes Bonus		(1,633,000)	(1,633,000)	0
Council Tax Requirement		(8,648,040)	(8,648,040)	0
TOTAL FINANCING		(19,396,040)	(19,396,040)	0
NET EXPENDITURE (Contribution (to)/ from General Fund)		(15,000)	2,540,000	2,555,000

Note: 2020/21 budget had a surplus of £15,000.

Forecast Budget Variance

- 3.2 Table 1 shows a variance of £2,540,000 which, with the £15,000 contribution to Reserves, gives a net overspend of £2,555,000.
- 3.3 The revenue overspend of £2,555,000 includes a number of contributions to reserves, which have been made in order to comply with statute and previous Cabinet decisions, which total £234,000 and they are detailed below:

Table 2 – Contributions to Reserves

Service	Description	£'000
Revenues and Benefits	The net saving will be transferred to the Revenues and Benefits reserve.	128
Parking Management	The surplus relating to on-street parking will be transferred to the on-street parking reserve under Section 55 of the Road Traffic Act 1984.	74
Environmental Response Team	Section 96 of the Clean Neighbourhoods and Environment Act of 2005 advised that income must be spent on “qualifying functions”. The surplus will be transferred to the reserve.	32
Total		234

- 3.4 The forecast variance is for 2020/21 only. However, the impact of the coronavirus also affects forecast income from business rates and council tax. The Council is a billing authority which collects these taxes and then distributes them to other preceptors through the Collection Fund. Any surplus or deficit on the Collection Fund in 2020/21 will be allocated to preceptors in future years. Therefore in order to show the full impact of the effect of the coronavirus on the Council’s finances, these forecast deficits are shown in Table 3 below and the explanations for them are detailed in the next section of the report.

Table 3 – Forecast Coronavirus Variance at 30 June

	Forecast Coronavirus Variance £'000	Forecast Non-Coronavirus Variance £'000	Forecast Total Variance £'000
Forecast over/(under)spend 2020/21 (Table 1)	2,832	(277)	2,555
Forecast future impact of under-recovery of Business Rate income	250		
Forecast future impact of under-recovery of Council Tax income	208		
Total Coronavirus Related Overspend	3,290		
Coronavirus grants received to date from the Government	(1,895)		
Coronavirus new burdens grant	(170)		
Net Forecast Cost of Coronavirus	1,225		

- 3.5 On 3 June the report to Cabinet estimated that the financial impact of the coronavirus on the Council's finances overall was £4.1m compared to the £3.3m shown above.
- 3.6 On 20 March the Ministry of Housing, Communities and Local Government (MHCLG) announced an initial funding allocation to local authorities of £1.6bn. This first tranche of funding was heavily weighted to upper tier Councils; Swale received £76k and Kent County Council (KCC) £39m. Through the District Council Network, MP's and the Society of District Council Treasurers a great deal of lobbying took place to recast the split between tiers.
- 3.7 On 29 April the second tranche of funding was received in total of £1.6bn and this gave a 35% allocation to district councils and Swale received £1.5m. The initial £76k will be used to fund the community hubs and to deal with the costs of "Everyone in", whilst the second tranche of £1.5m will be set against the funding gap.
- 3.8 On 16 July the Government announced the third tranche of funding for councils for the coronavirus totalling £0.5bn and Swale received £317,585.
- 3.9 On 10 July the Council received £170k for new burdens funding for business grants.
- 3.10 The Government has since clarified that it sees these funding allocations as being to deal with cost pressures.

Update Since 30 June

- 3.11 On 2 July the Government announced that it would provide funding for 75% of income losses from sales, fees and charges, (not including income from commercial income), where these losses are greater than 5% of a council's planned income from fees and charges. We still have to work through the detail of this and there is still clarification required from MHCLG. Our initial estimate is that on current forecast this would generate £650k.
- 3.12 The Council entered the 2020/21 year with reserves standing at £23.5m, including £3.3m General Fund and £18.3m of earmarked reserves. The Leader and Cabinet Member for Finance and officers have reviewed the reserves and have identified £1.5m of earmarked reserves within the Finance portfolio which can be freed up without impacting on core services or administration priorities.
- 3.13 The main development since the quarter end relates to leisure expenditure. To date there has been no support from Government to support expenditure on leisure provision despite lobbying of the Department of Culture, Media and Sport. Whilst detailed work continues on cost applications from SERCO, two amounts of financial support have been agreed:

- Faversham Swimming Pool – the pool is managed by an independent Trust. A very detailed financial appraisal was received and after members and officers met with representatives of the Trust, an additional grant of £75,000 was agreed. This is vital to the continued operation and recovery plans.
- Swale Community Leisure (SCL) – SCL is the Trust that manages the SERCO contract. An additional £50,000 has been agreed to ensure their continued cooperation. These changes are not reflected in the figures above.

3.14 An updated summary position is shown in Table 4 below.

Table 4 – Revised Forecast Coronavirus Variance

	£'000
Net Forecast Cost of Coronavirus at 30 June	1,225
Add:	
Faversham Swimming Pool	75
Swale Community Leisure	50
Sub Total	1,350
Forecast MHCLG fees and charges support	(650)
Revised Net Forecast Cost of Coronavirus	700

Risk Assessment

3.15 It is now clear that COVID-19 will have an ongoing impact beyond this financial year. The impact in 2021/22 and beyond should be clearer in the autumn. The main financial risks arising from COVID-19 are shown below in Table 5:

Table 5 – Risk Assessment

Risk	Explanation
Increases homelessness costs	Substantial action has been taken in the last year on improving resourcing and prevention. The announcement on the extension for four weeks on the restriction on private evictions is only short-term assistance.
Fees and charges	Very limited action that can be taken. The main risk is on car parking income.
Swale Community Leisure contract	Nationally there are major issues about leisure contracts. Work has been commissioned from independent consultants to assess SCL's and SERCO's substantial cost submission.

Risk	Explanation
Sittingbourne Town Centre leisure	Delays due to COVID-19 have put back opening times and have reduced income this year. Substantial work underway on new tenants.
Council tax collection	Collection rates are only down 1.7%. But there may be a further hit if unemployment increases significantly as furloughing ends.
Business rates	Many businesses have been taken out of business rates this year. Risks are further closures and a reluctance to pay when payment resumes.

Business Rates

- 3.16 From 1 April 2013 business rates were part localised. Given the large growth in business rates in the borough this has been hugely positive for the Council's finances. The Council is in a business rates pool with KCC, 10 other borough/district councils and the Fire Authority. The pool enables business rates which would otherwise be passed to central Government to be retained in the county. Under the arrangement the borough/district, KCC and a joint fund received 30% each and 10% went into a reserve. The Council's share of the benefits of being a member of the pool have in the past been allocated to business rates reserves. However, no variance on these is yet forecast for 2020/21 as the figures are dependent on the business rates forecast income from all members of the Pool which is not yet known.
- 3.17 The Council collects business rates and distributes them to preceptors including the Government, Kent County Council (KCC), the Fire Authority and the Council and this is accounted for in the Collection Fund. The original forecast for 2020/21 was that the Council would collect £53m in total in 2020/21. Later the Government announced new reliefs on business rates for retail, local newspapers and nurseries which would reduce the income from business rates by £14m, but this will be offset by Government grants.
- 3.18 The Council budgeted that its share of the total business rates collected for 2020/21 would be £8.75m. There is a complicated system of levies and tariffs, and any deficit on the Collection Fund for 2020/21 will be allocated to each preceptor as a cost in future years. However, for the purposes of this report, the forecast Council share of the deficit for 2020/21 of £250,000 is reported here, even though it will be a cost in future years. Council policy is to pay for business rate collection fund deficits from reserves.
- 3.19 There are three main business rates reserves:

- The Business Rates Volatility Reserve which has an opening balance of £3.9m. This reserve is 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. This reserve is due to make a contribution of £1m to the Special Projects fund, £250k to the General Fund and £50k for other costs in 2020/21.
- The Kent Pool Economic Development Business Rates Reserve which has an opening balance of £1.3m. This reserve was established as a result of the Council joining the Kent business rates pool in 2015/16. It is to fund economic development as agreed by the Council and KCC.
- The North Kent Housing and Commercial Growth Business Rates Fund which has an opening balance of £1.7m. For 2018/19 the Council was part of a Kent wide business rate 100% localisation pilot which included the setting up of this fund. This fund is to be used to fund borrowing to support affordable housing projects.

3.20 The Business Rates Collection Fund has set aside £10m for appeals, of which the Council's share is £4m.

Council Tax

3.21 The Council collects council tax and distributes it to preceptors including the KCC, the Fire Authority, the Police Authority, Parish and Town Councils and the Council and this is accounted for in the Collection Fund. The original forecast for 2020/21 was that the Council would collect £89m in total.

3.22 Any surplus or deficit on the Council Tax Collection Fund for 2020/21 will be allocated in future years. However, for the purposes of this report, the forecast for 2020/21 is a deficit on the Council Tax Collection Fund of £1.8m of which the Council's share is £208k.

3.23 The reasons for this reduction in income are:

- an increase in the single person discount;
- a reduction in the number of new properties being completed and then being liable for Council Tax; and,
- a reduction in the recovery of overpayment of council tax support due to customers not moving into work since March.

Collection Fund

3.24 Any deficits from council tax and business rates arising in 2020/21 would normally be transferred from the collection fund in the following year (2021/22). The Government has proposed that these deficits will now be spread equally over three years (2021/22 to 2023/24) "to ease immediate pressures on budgets". The full terms of the arrangements are still not entirely clear.

Improvement and Regeneration Funds

3.25 Table 6 below details the movements on a number of reserve funds up to the end of June 2020. Further details regarding the funds committed in 2020/21 are detailed in Appendix I Table 9.

Table 6: Improvement and Regeneration Funds

	Balance as at 1 April 2020	Topping Up of Funds 2020/21	Fund Committed as at 1 April 2020	Funds committed after 1 April 2020 (Appendix I Table 9) 2020/21	Balance Unallocated
Funds:	£'000	£'000	£'000	£'000	£'000
Special Projects	964	0	(553)	(972)	(561)
Performance	432	0	(233)	(29)	170
Communities	556	0	(173)	0	383
Pension & Redundancy	94	0	0	(77)	17
Regeneration	152	0	(152)	0	0
Local Loan Fund	175	0	0	0	175
TOTAL	2,373	0	(1,111)	(1,078)	184

3.26 Approval is sought to allocate £1m from the Business Rates Volatility Reserve to the Special Projects Fund and £100k from the General Fund to the Pension & Redundancy Fund.

Capital Expenditure

3.27 This section of the report details actual capital expenditure to end of June 2020 and highlights any projected variations between the revised 2020/21 capital budget and the projected outturn.

3.28 The revised budget includes the capital rollovers from 2019/20 and the roof replacement for the Swallows Leisure Centre approved by the July Cabinet.

3.29 Actual expenditure to end of June 2020 was £2,075,031. This represents 26% of the revised budget. Further details are set out in Table 10 of appendix I.

3.30 Table 7 below summarises the projected capital underspend of £6,400.

Table 7: Capital Programme Expenditure

	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Projected Variance
	£'000	£'000	£'000
Housing, Economy & Community Services	5,846	1,975	0
Commissioning, Environment & Leisure	2,136	99	0
Finance	2	1	0
Planning	6	0	(6)
Information Technology	116	0	0
Total Capital Programme	8,106	2,075	(6)
Total funded by the Council	3,407	1,947	(6)
Total Partnership funded	4,699	128	0
% Spent to date compared to Revised Budget		26%	

Payment of Creditors

3.31 For April to June 2020, 98% of invoices from suppliers were paid within 30 days of receipt of invoice, against the target of 97%.

Sundry Debtors

3.32 Tables 11.1 and 11.2 in appendix I analyse the sundry debt outstanding.

4. Alternative Options

4.1 None identified – this report is largely for information.

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 Corporate Plan objectives.
Financial, Resource and Property	As detailed in the report
Legal and Statutory	The outturn report is not a statutory requirement, but it is a requirement of the Council's Financial Regulations.
Crime and Disorder	None identified at this stage.
Environmental Sustainability	The report identifies a wide range of expenditure headings which support the Council's Climate and Emergency Action Plan.

Issue	Implications
Health & Wellbeing	None identified at this stage.
Risk Management and Health and Safety	The Council's overall financial position is a key risk in the Council's Corporate Risk Register.
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: Finance Report 2020/21

8. Background Papers

[Cabinet Medium Term Financial Plan and Budget 2020/21](#)

Table 8 – Significant Variances

Service – Cabinet Member (Head of Service)	£'000
CHIEF EXECUTIVE – Cllr R Truelove	
Other Variances:	
Salary underspend	(133)
Recruitment costs	20
Special Projects & Swale Stars	(16)
Other net savings	(5)
TOTAL	(134)
POLICY, DEMOCRATIC SERVICES, COMMUNICATIONS AND CUSTOMER SERVICES – Cllr R Truelove (David Clifford)	
Policy, Communications & Customer Services:	
Other Variances:	
Salary underspend – Policy	(11)
Salary underspend – Customer Service Centre	(50)
Other variances	(1)
TOTAL	(62)
Democratic Services:	
Other Variances:	
Net underspend on Electoral Registration	(35)
TOTAL	(35)
REGENERATION – Cllr M Bonney (Emma Wiggins)	
Other Variances:	
Salary underspend – secretarial support	(31)
TOTAL	(31)
HOUSING, ECONOMY AND COMMUNITY SERVICES – Cllr B Martin, Cllr T Valentine, Cllr R Palmer, Cllr M Bonney, Cllr A Harrison (Charlotte Hudson)	
Economy & Community Services:	
Coronavirus Related Variances:	
Salary overspend – Economy & Communities budget savings requirement delayed due to restructure being paused due to coronavirus.	30
Income under-recovery – Markets' rents not received. Markets did not trade during quarter one and will be in recovery stage for the remainder of the year.	20
Sub-total	50
Housing:	
Coronavirus Related Variances:	
Temporary accommodation overspend – additional pressure on service during coronavirus.	404
Temporary accommodation overspend re Rough Sleeper Initiative – overspend predicted due to Government "everyone in" during coronavirus. This may be reimbursed by the Government.	50

Table 8 – Significant Variances

Service – Cabinet Member (Head of Service)	£'000
Agency/staff costs overpayment – Housing Options Team – part of COVID-19 costs of Temporary Accommodation management.	10
Other Variances:	
Salary overspend – Housing Private Sector vacancy allowance will not be achieved and new staff recruitment may involve post regrading.	7
Sub-total	471
TOTAL	521
PLANNING - Cllr M Baldock (James Freeman)	
Coronavirus Related Variances:	
Planning fees income – shortfall as a result of economic uncertainty which has caused the decline in the housing market and a significant drop in planning applications and major applications to the Council.	250
Local Land Charges income – shortfall as a result of economic uncertainty which has caused the decline in the housing market and a significant drop in the income from land searches fees to the Council.	60
Building Control – the South Thames Gateway (STG) Building Control Partnership is not a separate entity and the forecast loss in fees and charges is being reported within Medway’s submission to MHCLG and included as part of their compensation claim to the Government. The remaining deficit is being met from partnership reserves for 2020/21 only.	0
Other Variances:	
Development Control / Services – salaries underspend	(38)
Legal fees / Planning consultation advice	40
Conservation, Design and Heritage agency staff	50
TOTAL	362
<i>Note: Not included in the above are the potential costs for the major planning appeal for Barton Hill Drive estimated at £203k including the £170k costs of a court claim against the Council which is subject to a High Court challenge; in addition, the Wises Lane High Court claim is still due but cannot be estimated at this stage.</i>	
COMMISSIONING, ENVIRONMENT AND LEISURE – Cllr A Harrison, Cllr T Valentine (Martyn Cassell)	
Coronavirus Related Variances:	
Car Parks pay and display – income shortfall	669
Parking Penalty Charge Notices (PCN’s) – income shortfall	51
Multi-Storey Car Park – income shortfall	50
Parking season tickets – income shortfall	26
Leisure & Sports Centres – additional expenditure. Additional costs re contract variation.	400
Street Cleansing and Refuse Collection – significant additional COVID-19 costs to be factored in for additional cleansing in town centres and contract pressures during peak of pandemic.	105

Table 8 – Significant Variances

Service – Cabinet Member (Head of Service)	£'000
Other Variances:	
Commissioning, Contracts & Procurement – staff costs savings.	(3)
Client & Amenity Services & Technical – agency/contract staff costs additional expenditure.	4
Leisure & Sports Centres – additional expenditure – consultancy costs and concessionary use.	7
Garden Waste collections – additional income.	(115)
Wheeled Bins purchase – additional expenditure. Increase in garden waste subscriptions.	115
Wheeled Bins sales – additional income – including income from new developments requesting waste receptacles (anticipated to be slightly below last year's levels).	(35)
Street Cleansing and Refuse Collection – contract costs savings. Indexation anticipated to be lower than expected but yet to be finalised. Annual uplift figures not yet been agreed.	(160)
Public Conveniences – cost savings on premises expenses.	(12)
Parks, Sports and other 'open air' facilities – net additional expenditure on Sports Facilities premises expenses.	13
Seafront and Flood Prevention net additional contract and contractor costs.	13
Multi-Storey Car Park additional private contractor costs and security costs increased due to longer opening hours.	30
Multi-Storey Car Park additional other costs, including £12k electricity.	15
TOTAL	1,173
FINANCE – Cllr R Truelove (Nick Vickers)	
Other Variances:	
Salary underspend – due to vacancy and reduced agency costs.	(31)
TOTAL	(31)
REVENUES & BENEFITS – Cllr R Truelove (Nick Vickers)	
Coronavirus Related Variances:	
Reduced income – recovery of council tax court costs due to the courts being shut for April to September.	183
Reduced income – recovery of overpayments of housing benefits due to reduction in recovery action.	172
Reduced income – Mid Kent debt recovery.	80
Other Variances:	
Department of Works and Pensions (DWP) net additional housing benefit subsidy grant.	(107)
DWP additional housing benefit grants.	(98)
DWP housing benefit admin subsidy grant increase.	(30)
TOTAL	200

Table 8 – Significant Variances

Service – Cabinet Member (Head of Service)	£'000
PROPERTY SERVICES – Cllr M Bonney (Anne Adams)	
Other Variances:	
Admin Buildings – rent – additional costs.	5
TOTAL	5
LICENSING & RESILIENCE PLANNING – Cllr R Palmer (Della Fackrell)	
ENVIRONMENTAL HEALTH – Cllr T Valentine (Tracey Beattie)	
Nil variance forecast	0
INFORMATION TECHNOLOGY – Cllr R Truelove (Chris Woodward)	
Nil variance forecast	0
INTERNAL AUDIT – Cllr R Truelove (Rich Clarke)	
Nil variance forecast	0
HUMAN RESOURCES – Cllr R Truelove (Bal Sandher)	
Nil variance forecast	0
LEGAL – Cllr R Truelove (Patricia Narebor)	
Other Variances:	
Legal shared service.	(24)
S106 additional income.	(8)
TOTAL	(32)
SITTINGBOURNE REGENERATION	
Other Variances:	
Salary costs.	32
Fees & services – anticipated consultancy and legal costs.	50
TOTAL	82
CINEMA/HOTEL/RESTAURANTS	
Coronavirus Related Variances:	
Loss of rental income.	183
TOTAL	183
CONTRIBUTIONS TO RESERVES FROM SERVICES SHOWN ABOVE	
Revenue Services	128
On-street Parking	74
Environmental Response Team	32
TOTAL	234
CORPORATE ITEMS	
Coronavirus Related Variances:	
Coronavirus Communities overspend – grants issued	28
Coronavirus Communities overspend – salary costs	14

Table 8 – Significant Variances

APPENDIX I

Service – Cabinet Member (Head of Service)	£'000
Coronavirus Communities overspend – equipment	11
Coronavirus Communities overspend – other costs	35
Opening High Street Safely Project overspend – private contractors	1
Other Variances:	
Staff costs including pension costs reflecting the recent three-year revaluation which are higher than the estimated contributions provided as part of that revaluation, offset by net corporate staff savings.	26
Net interest earnings.	(10)
Insurance – additional properties and increase in cost of public liability cover.	27
Other savings	(12)
TOTAL	120
NET EXPENDITURE (Overspend)	2,555

The forecast salary variances identified above are collated in the table below and total £124k underspend which is 0.9% of the total salary/ agency budget of £13.6m.

Service	£'000
Salary underspend - Chief Executive	(133)
Salary underspend – Policy	(11)
Salary underspend – Customer Service Centre	(50)
Salary underspend – secretarial support - Regeneration	(31)
Salary overspend – Economy & Communities budget savings requirement delayed due to restructure being paused due to coronavirus.	30
Agency/staff costs overpayment – Housing Options Team – part of COVID-19 costs of Temporary Accommodation management.	10
Salary overspend – Housing Private Sector vacancy allowance will not be achieved and new staff recruitment may involve post regrading.	7
Development Control / Services – salaries underspend	(38)
Conservation, Design and Heritage agency staff	50
Commissioning, Contracts & Procurement – staff costs savings.	(3)
Client & Amenity Services & Technical – agency/contract staff costs additional expenditure.	4
Salary underspend – due to vacancy and reduced agency costs.	(31)
Salary costs – Sittingbourne Regeneration	32
Coronavirus Communities overspend – salary costs.	14
Staff costs including pension costs reflecting the recent three-year revaluation which are higher than the estimated contributions provided as part of that revaluation, offset by net corporate staff savings.	26
Total	(124)

Table 9 – 2020/21 Allocations from Funds

APPENDIX I

	£'000
Special Project Fund	
Members' grants	54
Area Committees - grant funding	188
Park improvements	150
Fuel poverty	48
Climate project officer	27
Social inclusion - officer and one off spend	55
Air Quality Officer	50
Clean Air Zone consultancy	50
Project Surveyor	55
Green Space Activity Coordinator	35
Biffa deep cleans	50
Play equipment	100
West Faversham Community Centre - support for expansion	25
Air Quality - additional monitoring St Paul's Street	22
Provision of heating for Faversham Strike Force Football Club	6
Thistle Hill Community Centre - solar PV installation	20
Leysdown Village Hall kitchen refurbishment	27
Oak Road bus lane bollards	10
Total Special Project Fund Approved as at 23 July 2020	972
Performance Fund	
Sittingbourne Town Centre (STC) Away Day	4
Member IT	25
Total Performance Fund Approved as at 30 June 2020	29
Pension & Redundancy Fund	
Pension and Redundancy costs	77
Total Pension & Redundancy Fund Approved as at 30 June 2020	77

Table 10 – Capital Programme 2020/21

Capital Scheme	Funding SBC/ Partnership (P)	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Projected Variance	Notes
		£	£	£	£	
<u>Commissioning, Environment & Leisure - M. Cassell</u>						
Gunpowder Works Oare, Faversham - S106	P	0	9,000	0	0	
New Play Area - Iwade Scheme	P	0	45,000	0	0	
Minster Leas Promenade Resurfacing	P	0	79,970	0	0	
Modular Toilet Kiosk - Minster Leas	SBC	0	109,931	0	0	
Milton Creek Country Park Access Road	SBC	0	40,000	0	0	
Barton's Point Coastal Park – Replacement Bridge	SBC	0	91,260	4,632	0	
Faversham Recreation Ground Improvement - S106	P	125,400	199,534	77,996	0	
Open Space Project - Minster Leas (outdoor gym equipment)	SBC	0	1,753	0	0	
Open Spaces Project - Shellness Road (refurbishment existing Play Area at Leysdown Coastal Park, Shellness Road)	SBC	0	2,250	0	0	
Car Park Improvement/Enhancement - Electric Charging Points (Reserves)	SBC	0	29,870	29,870	0	
Footpath contribution - High Street Sittingbourne - S106	P	0	18,915	0	0	
Open Spaces S106 Play Equipment (Budget Only)	P	130,000	356,000	0	0	

Table 10 – Capital Programme 2020/21

Capital Scheme	Funding SBC/ Partnership (P)	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Forecast Variance	Notes
		£	£	£	£	
Leisure Centres – Budget Only	SBC	0	293,847	0	0	
Swallows Leisure Centre - Capital Works	SBC	0	0	(22,090)	0	
Sheppey Leisure Centre (Not Pool) - Capital Works	SBC	0	0	(2,310)	0	
Sheppey Swimming Pool	SBC	0	0	(4,030)	0	
Play Area Improvements - Reserves	SBC	150,000	150,000	0	0	
Play Area Improvements - Diligent Drive	SBC	0	18,000	0	0	
Public Toilets Refurbishment - Forum, Sittingbourne	SBC	0	50,000	0	0	
Public Toilets Refurbishment - Central Car Park, Faversham	SBC	0	40,000	0	0	
Modular Toilet Kiosk - Milton Creek Country Park	SBC	0	150,000	0	0	
Public Toilets and Showers - Bartons Point, Sheppey	SBC	0	100,000	0	0	
Public Toilets - The Spinney Leysdown	SBC	0	40,000	15,000	0	
Wheeled Bins	SBC	157,000	251,000	0	0	
Swallows Leisure Centre Roof	SBC	0	743,000	0	0	(a)
Beach Huts	SBC	60,000	60,000	0	0	
Total Commissioning, Environment & Leisure		622,400	2,879,330	99,068	0	

Table 10 – Capital Programme 2020/21

Capital Scheme	Funding SBC/ Partnership (P)	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Forecast Variance	Notes
		£	£	£	£	
<u>Housing, Economy & Communities Services - C. Hudson</u>						
Disabled Facilities Grants Mandatory Grants	P	2,062,800	2,062,800	55,787	0	
Disabled Facilities Grants Discretionary Grants	P	0	1,927,533	0	0	
Housing Repair Grants Over 60	SBC	0	0	0	0	
CCTV - Repairs & Renewals	SBC	0	30,000	0	0	
CCTV Monitoring Control Centre at Multi-Story Car Park	SBC	0	0	(24,112)	0	
Decent Home Loans Owner Occupier (loans)	SBC	0	0	5,000	0	
STC Site 4, Cinema/Restaurants	SBC	0	1,581,302	1,818,194	0	
STC Site 5, Multi-Storey Car Park	SBC	0	0	(63,999)	0	
STC - Other Assets	SBC	44,250	44,250	189,651	0	
The Mill Project, Sittingbourne Skate Park	P	0	0	(5,508)	0	
Faversham Creek Basin Regeneration Project (swing bridge)	SBC	0	200,000	0	0	
Total Housing, Economy & Communities Services		2,107,050	5,845,885	1,975,013	0	

Table 10 – Capital Programme 2020/21

Capital Scheme	Funding SBC/ Partnership (P)	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Forecast Variance	Notes
		£	£	£	£	
<u>ICT - C. Woodward</u>						
ICT infrastructure – firewall and equipment replacement	SBC	76,200	115,831	0	0	
Total ICT		76,200	115,831	0	0	
<u>Finance - N. Vickers</u>						
Finance System Upgrade	SBC	0	1,410	950	0	
Total Finance		0	1,410	950	0	
<u>Planning - J. Freeman</u>						
Land Charges Shared Service - Online Submission Module	SBC	6,400	6,400	0	(6,400)	(b)
Total Planning		6,400	6,400	0	(6,400)	
Total Capital Programme Funded by the Council	SBC	493,850	4,150,104	1,946,756	(6,400)	
Total Capital Programme Funded by Partners	P	2,318,200	4,698,752	128,275	0	
Total Capital Programme		2,812,050	8,848,856	2,075,031	(6,400)	

Notes

- (a) Expenditure is to be met from borrowing. Anticipated to be £743k. This is to meet the uninsured losses regarding the roof replacement at the Swallows Leisure Centre. Agreed by Cabinet 8 July 2020.
- (b) Project has been cancelled.

Table 11.1 – Sundry Debt Outstanding (including not due) by due date

	June 2020 £'000	June 2019 £'000
Not due (less than 1 month)	341	1,803
1–2 months	7	42
2–6 months	130	170
6–12 months	237	53
1–2 years	57	34
2–3 years	28	19
3–4 years	11	11
4–5 years	4	28
5–6 years	25	8
6 years +	34	32
Total	874	2,200
Total due (over 1 month)	533	397
% Total over 1 month	61	1

Notes:

2 – 6 months includes £29k relating to one company.

6 – 12 months includes £57k relating to one company (same as 2 – 6 months) and £147k Network Rail.

1 – 2 years includes £9k relating to charges on property.

2 – 3 years includes £2k relating to charges on property.

5 – 6 years includes £4k relating to charges on property.

6 years + includes £22k relating to charges on property. The balance are rent deposit debts which are being paid off via payment plans.

These tables include debts raised for all our grants receivable from Kent County Council, the NHS, etc.

Table 11.2 – Sundry Debt Outstanding (including not due) by Service

	June 2020 £'000	June 2019 £'000
Property	262	205
Commissioning, Environment & Leisure	60	57
Housing, Economy & Communities	274	119
Legal	7	360
Environmental Health	18	10
Planning	19	0
Communications	0	0
Other	234	1,449
Total	874	2,200

Table 11 – Sundry Debt Outstanding

APPENDIX I

Notes:

'Property' includes outstanding £139,000 quarterly rent relating to one company.

'Housing, Economy & Communities' June 2020 includes £147k Network Rail, £70k Rent Deposit Schemes etc. and £31k charges on property.

'Other' June 2019 included a single invoice for £1.375m for S106 monies due from one developer.

'Other' June 2020 includes £112k not due as at 30/6/20.