



Agenda

Meeting: **Finance and Performance Scrutiny Sub-Committee**
Date: **10 January 2023**
Time: **7.00 pm**
Place: **Council Chamber - Civic Centre, Folkestone**

To: Councillors Peter Gane, Connor McConville (Chairman),
Patricia Rolfe and Rebecca Shoob.

The committee will consider the matters, listed below, at the date, time and place shown above. The meeting will be open to the press and public.

Members of the committee, who wish to have information on any matter arising on the agenda, which is not fully covered in these papers, are requested to give notice, prior to the meeting, to the Chairman or appropriate officer.

This meeting will be webcast live to the council's website at <https://folkestone-hythe.public-i.tv/core/portal/home>. Although unlikely, no guarantee can be made that Members of the public in attendance will not appear in the webcast footage. It is therefore recommended that anyone with an objection to being filmed does not enter the council chamber.

Please note there are 37 seats available for members of the public, which will be reserved for those speaking or participating at the meeting. The remaining available seats will be given on a first come, first served basis.

1. **Apologies for absence**
2. **Declarations of interest (Pages 3 - 4)**
3. **General Fund Capital Budget Monitoring 2022/23**

This monitoring report provides an updated projection of the current financial position for the General Fund capital programme profiled for 2022/23, based on expenditure to 30 November 2022, and identifies

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variances compared to the latest approved budget.

4. **Quarter 3 22/23 General Fund Revenue Budget Monitoring**

This monitoring report provides a projection of the end of year financial position of the General Fund revenue budget at Quarter three (Q3), based on expenditure and income to the 30 November 2022. The report shows an improved position for Q3 with an underspend now forecast until financial year end. The reporting format has also been re-aligned to improve the presentation of the budget monitoring information for Q3.

5. **Quarter 3 22/23 Housing Revenue Account Budget Monitoring**

This monitoring report provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 30 November 2022.

6. **General Fund Revenue Detailed Draft Budget 2023/24**

This report sets out the Council's Draft General Fund budget for 2023/24.

7. **Housing Revenue Account Draft Budget 2023/24**

This report sets out the Housing Revenue Account Revenue and Capital Budget for 2023/24 and proposes an increase in weekly rents and an increase in service charges for 2023/24.

8. **Update to the General Fund Medium Term Capital Programme to 2027/28**

This report updates the General Fund Medium Term Capital Programme for the five-year period ending 31 March 2028. The General Fund Medium Term Capital Programme is required to be submitted to full Council for consideration and approval as part of the budget process.

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

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This Report will be made public on 23 December 2022

Report Number **C/22/74**

To: Cabinet
Date: 25 January 2023
Status: Non-Key Decision
Head of Service: Charlotte Spendley – Director of Corporate Services
Cabinet Member: Councillor David Monk, Leader and Portfolio Holder for Finance

SUBJECT: GENERAL FUND CAPITAL PROGRAMME BUDGET MONITORING 2022/23

SUMMARY: This monitoring report provides an updated projection of the current financial position for the General Fund capital programme profiled for 2022/23, based on expenditure to 30 November 2022, and identifies variances compared to the latest approved budget.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because it needs to be kept informed of the General Fund capital programme position and take appropriate action to deal with any variance from the approved budget.

RECOMMENDATIONS:

1. To receive and note report C/22/74.

1. INTRODUCTION AND BACKGROUND

- 1.1 As part of the Council's normal budget monitoring process this report updates Cabinet on the current position for the General Fund capital programme profiled for 2022/23, based on expenditure to 30 November 2022, compared to the latest approved budget. Specifically, this report;-
- i) identifies variances on planned capital expenditure for 2022/23 and provides explanations for these differences, and
 - ii) considers the impact any changes to the overall capital programme will have on the financing resources required to fund it.
- 1.2 This monitoring report considers the latest projected expenditure for 2022/23 against the profiled budget for the year. Cabinet considered an initial projected outturn position for the General Fund capital programme in 2022/23 on 20 October 2022 (minute 35 refers). The projections shown in the report may, in some cases, be subject to further change which will be reported to Cabinet as part of the on-going budget monitoring process.
- 1.3 Cabinet is reminded that Full Council approves a rolling five-year General Fund Medium Term Capital Programme (MTCP) annually as part of the overall budget process. The update to the MTCP for the five-year period ending 31 March 2028 is due to be considered by Cabinet separately as part of this agenda before being submitted to Full Council for approval on 22 February 2023.

2. CAPITAL PROGRAMME 2022/23 – PROJECTED OUTTURN

- 2.1 The latest projection for the total cost and funding of the General Fund capital programme for 2022/23 is £20,837,000, a decrease of £24,025,000 compared to the latest budget of £44,862,000. Full details are shown in **Appendix 1** to this report and the following table summarises the position across the Service Units and outlines the impact on the capital resources required to fund the programme:

General Fund Capital Programme Q3 2022/23	Latest Budget 2022/23	Projection 2022/23	Variance Budget to Projection
	£'000	£'000	£'000
Service Units			
Operations	24,159	6,266	(17,863)
Corporate Services	3,364	2,194	(1,170)
Housing	1,555	1,555	-
Governance, Law & Regulatory Services	9	9	-
Economic Development Place	867	867	-
	14,908	9,946	(4,992)
Total Capital Expenditure	44,862	20,837	(24,025)

Capital Funding

Capital Grants	(6,327)	(4,089)	2,238
External Contributions	(1,376)	(780)	596
Capital Receipts	(6,027)	(2,340)	3,687
Revenue	(2,545)	(1,486)	1,059
Borrowing	(28,587)	(12,142)	16,445
Total Funding	(44,862)	(20,837)	24,025

2.2 The following table summarises the main reasons for the net reduction in the projected outturn compared to the latest budget:

Variances – 2022/23 Latest Budget to Q3 Projected Outturn			
1	Reprofiling between 2022/23 and 2023/24	£'000	£'000
i)	Biggins Wood Site Land Remediation Works	(1,364)	
ii)	Princes Parade Leisure Centre	(13,882)	
iii)	Electric Vehicle Chargepoints	(40)	
iv)	Coast Drive Seafront Development	(789)	
v)	East Cliff Landfill Protection (FPPG Charity)	(1,200)	
vi)	Hawkinge Depot Upgrade	(75)	
vii)	Connect 38 Office CAT A Works	(240)	
viii)	Coastal Park Toilet and Concession	(97)	
ix)	Units 1-5 Learoyd Road New Romney	(196)	
x)	Folkestone & Hythe Green Business Grant	(200)	
xi)	Public Toilet Enhancement	(100)	
xii)	Otterpool Park	(5,042)	
xiii)	Oportunitas Funding	(970)	
			(24,195)
2	Overspends		
i)	Lifeline Capitalisation	20	
			20
3	Underspends		
i)	Play Area Equipment (COMF)	(12)	
			(12)
4	Other Changes		
i)	Variation order for Hythe to Folkestone beach management works for the use of white rather than red diesel, met from additional EA grant	112	
ii)	UK Shared Prosperity Fund Capital Grants	50	
			162
	Total change in overall capital programme for 2022/23		(24,025)

- 2.3 As the variance analysis in the table above shows, the projected reprofiling of budgets from 2022/23 to 2023/24 and beyond is £24.2m, an increase of £10.1m compared to the sum of £14.1m previously reported to Cabinet on 20 October 2022 and largely reflects the decision to pause the operational delivery of the Princes Parade scheme. Just over £5m of expenditure to deliver Otterpool Park is expected to be reprofiled to 2023/24 or beyond. The reprofiling of the other capital schemes is largely due to schemes commencing later than originally planned and these are expected to be completed during 2023/24. The future of the East Cliff Landfill Protection scheme is likely to be reconsidered by the Trustees of the Folkestone Parks and Pleasure Grounds Charity before a decision is taken regarding it.
- 2.4 Typically, property related capital schemes are more difficult to project accurately in terms of the timing of expenditure due to external factors such as planning, legal and procurement. However, it is important to remember that the council controls its capital expenditure against the sums approved within the MTCP rather than the profiled amounts for each year.
- 2.5 As reported to Cabinet on 20 October 2022, a review of the impact of cost inflation for the General Fund capital programme in 2022/23 was previously undertaken. In summary, inflation is not expected to have a material impact on delivering the planned expenditure within budget for the year. However, the risk of cost inflation for the capital programme is being closely monitored as part of the current budget process and its impact is considered separately in the update to the MTCP to 2027/28 report, as part of this agenda.

3. IMPACT OF PROGRAMME CAPITAL FUNDING RESOURCES

- 3.1 One of the key principles underlying the council's Medium Term Financial Strategy is the capital programme is funded from available or realised capital resources and that new borrowing should only be used where it is prudent and affordable. The only exception to this is where a scheme is subject to grant funding or external contributions in which case no commitment is made against these until the funding is confirmed. The 2022/23 projected outturn for the General Fund capital programme conforms to this key principle.
- 3.2 As summarised in section 2 of this report, the council's projected capital expenditure for 2022/23 requires a significant level of borrowing to support it. The capital schemes in 2022/23 planned to be supported by borrowing are:

	£'000
i) Princes Parade Leisure Centre	1,528
ii) Coast Drive Seafront Development	94
iii) Coastal Park Toilet and Concession	50
iv) Otterpool Park	8,834
v) Veolia Waste Contract	29
vi) Oportunitas Phase 2 funding	1,500
vii) Temporary Accommodation	107

Total	<u>12,142</u>
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3.3 The borrowing required is consistent with the council's approved Capital Strategy for 2022/23.

3.4 The latest position regarding the council's available capital receipts to fund capital expenditure is shown in the following table:

Capital Receipts Position Statement	£'000
Total receipts in hand at 30 November 2022	10,242
Less:	
Committed towards General Fund capital expenditure (including £645k towards the proposed capital growth for 2023/24)	(3,912)
Committed towards HRA capital expenditure	(5,758)
Contingency for urgent or unforeseen capital expenditure	(500)
Balance available to support new GF capital expenditure	<u>72</u>

3.5 Full Council approved the Flexible Use of Capital Receipts Strategy 2022/23 on 27 July 2022 (minute 24 refers). In line with this, £0.549m of capital receipts is projected to be applied towards qualifying capital expenditure in year and this is included within the £2.492m shown under paragraph 2.1 above.

4. CONCLUSIONS

4.1 The projected outturn shown for the General Fund capital programme for 2022/23 reflects the position based on actual expenditure and forecasts at 30 November 2022. The projected outturn will be reviewed, updated and reported to Cabinet as part of the budget monitoring process for 2022/23. Although there is projected significant reprofiling in capital schemes in the MTCP, at this stage there is no material increase in forecast cost to the overall programme.

5 RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Capital resources not available to meet the cost of the new projects.	High	Low	Capital receipts required have already been realised for the majority of the programme. Schemes subject to future capital resources will only commence once these are realised. Schemes supported by grant funding will only commence once fully approved and committed by the relevant body. Prudential borrowing is only used for capital schemes expected to generate a net revenue benefit and/or future capital receipts
Cost of new projects may exceed the estimate.	High	Medium	Capital monitoring procedures in place allowing prompt early action to be taken to manage the risk effectively. Cost inflation risk has been identified in the report and the position is being closely monitored as part of the council's budget process.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (NM)

There are no legal implications arising directly out of this report.

6.2 Finance Officer's Comments (LW)

This report has been prepared by Financial Services. There are no further comments to add.

6.3 Diversities and Equalities Implications

The report does not cover a new service or policy or a revision of either and therefore does not require an Equality Impact Assessment.

6.4 Climate Change Implications (AT) [Pilot reporting period]

There are no climate change implications arising directly from this report. The report is a monitoring report that provides an initial position against the latest approved budget. It updates Cabinet on this position following decisions taken at Cabinet and Full Council. Climate change implications of the various projects referenced in the report will be assessed as part of the development and implementation phases of those projects through the appropriate decision-making process.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Lee Walker, Capital and Treasury Senior Specialist

Tel: 01303 853593. e-mail: lee.walker@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

None

Appendices:

Appendix 1 – General Fund Capital Programme 2022/23 Projected Outturn

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APPENDIX 1 - GENERAL FUND CAPITAL PROGRAMME PROFILED PROJECTED OUTTURN 2022/23

By Head of Service

Item	Scheme	Latest Approved Budget £000	Latest Projection £000	Variance £000	Comments
<u>Andy Blaszkowicz - Director of Housing & Operations</u>					
1	Lifeline Capitalisation	50	70	20	Purchase of additional units required to match the demand for the service and support the net revenue stream for it
2	Royal Military Canal Enhancements	20	20	0	10 year annual planned programme of work. On target for 2022/23
3	Biggins Wood Site Land Remediation Works	2,680	1,316	(1,364)	Contract let and works commenced autumn 2022 and due to be completed by the Summer 2023. Balance of budget reprofiled to 2023/24
4	Ship Street Site Folkestone	426	426	0	Professional fees for design cost to support planning application (General Fund element only)
5	Princes Parade Leisure Centre	15,410	1,528	(13,882)	Estimated net costs due for 2022/23 at the point the project was paused.
6	On Street Pay & Display Car Park Machines	75	75	0	Scheme on target
7	Electric Vehicle Chargepoints	40	0	(40)	Scheme now expected to commence in the Spring of 2023 and will take place once the installation of EV charging points to the Council's car park is complete.
8	Coast Drive Seafront Development	883	94	(789)	Preliminary costs to support planning consent. The main works are now expected to take place during the spring and summer of 2023.
9	Coastal Park Play Equipment	62	62	0	On target
10	Coastal Park Toilet and Concession	147	50	(97)	Contract awarded but discussions with utility companies have delayed scheme and now due to be completed by the early summer of 2023, budget partly reprofiled to 2023/24
11	East Cliff Landfill Protection (FPPG Charity)	1,200	0	(1,200)	No decision has been taken yet to progress this scheme and it is likely this will be referred back to the Charity Trustees for their consideration in the near future.
12	Hawkinge Depot Upgrade	75	0	(75)	Approval being sought for a growth item for a further £75k to deliver this scheme. Budget reprofiled to 2023/24
13	Units 1-5 Learoyd Road New Romney	196	0	(196)	Contract planned to be let in early 2023 with the works to commence from spring 2023 so expenditure reprofiled to 2023/24
14	Connect 38 Office CAT A Works	240	0	(240)	The budget is provided to allow adaptations to be made to the layout of the unused office space in the building to accommodate new tenants. Although there are currently no planned works, the position is subject to change. Budget reprofiled to 2023/24

Item Scheme	Latest Approved Budget £000	Latest Projection £000	Variance £000	Comments
15 District Street Lights	745	745	0	Phase 1 of scheme to upgrade street lighting columns for KCC to adopt completed costing £392k. However, originally anticipated to upgrade 321 columns but increased to 464 during process at an additional cost of £153k. Phase 2 to upgrade mainly wooden pole-mounted lights on hold while budget position considered.
16 Park Keeper's Van	40	27	(13)	Ordered. Saving used towards additional cost for Toilet Cleaners vans
17 Replacement Asset Management System	60	60	0	May be delayed due to further discussions needed on requirements
18 Radnor Park Footpath Resurfacing (FPPG Charity)	40	40	0	Council funding to support scheme, on target to spend
19 The Stade Rental Huts	100	100	0	Project has been delayed due to planning constraints and may not be completed until 2023/24
20 Toilet Cleaner's Van	20	33	13	2 vehicles ordered and additional cost to be met from saving on Park Keeper's Van budget
21 Play Area Equipment (COMF)	176	164	(12)	The three schemes at Oak Drive, St Mary's Bay, Morehall Recreation Ground, Folkestone and Cheriton Recreation Ground, Folkestone have been completed. £12k saving on Cheriton Recreation Ground. Scheme externally funded
22 Coast Protection, Coronation Parade Folkestone	749	749	0	On track to be spent q4, may push into q1 2023/24 depending on contractor availability. Tender published, outcome will be known by January 2023 (all externally funded)
23 Coast Protection, Greatstone Dunes Management & Study	15	15	0	On target (all externally funded)
24 Beach Management 2020-2025	385	497	112	Additional Environment Agency grant funding for using white rather than red diesel for vehicles and equipment involved. Profiled works spring 2023 may fall into 2023/24 (all externally funded)
25 Coronation Parade Annual Monitoring	4	4	0	On target (all externally funded)
26 Public Toilet Enhancement	291	191	(100)	Pleydell Gardens completed and High Knocke in progress, Further smaller scale refurbishments will be completed prior to year end but there may be some carry over into Q1 2023/24 (approx £100k).
Total - Director of Housing & Operations	24,129	6,266	(17,863)	

Item Scheme	Latest Approved Budget £000	Latest Projection £000	Variance £000	Comments
<u>Ewan Green - Director of Place</u>				
27 Otterpool Park Garden Town Development	14,401	9,359	(5,042)	Slippage relates mainly to provision for further land and property acquisition costs required to deliver the development
28 Veolia Waste Contract	29	29	0	Miscellaneous cost related to the capital purchase of the new vehicle fleet.
29 Area Officer Vans	30	30	0	Vehicle expected to purchased in early 2023
30 UK Shared Prosperity Fund Capital Grants Scheme	0	50	50	Capital grants scheme funded entirely by Government as part of their Levelling Up agenda supporting local businesses and communities
31 Mountfield Road Employment Land	478	478	0	On target to be completed in 2022/23
Total - Director of Place	14,938	9,946	(4,992)	
<u>Charlotte Spendley - Director of Corporate Services</u>				
32 PC Replacement Programme	35	35	0	On target to be spent in 2022/23
33 Server Replacement Programme	60	60	0	On target to be spent in 2022/23
34 Oportunitas Funding	2,470	1,500	(970)	Funding partly reprofiled to 2023/24 to reflect the delay to the completion of RVH Phase 2 to autumn 2023
35 FHDC Transformation	105	105	0	Completed
36 ICT improvement costs (externally hosted Revenues & Benefits system)	314	314	0	On target to be completed in 2022/23
37 Folkestone & Hythe Green Business Grant	250	50	(200)	Scheme recently approved and applications are starting to be received and assessed. First grant payments expected to be made in early 2023. Balance of budget reprofiled to 2023/24
38 Replacement Website Content Management System	130	130	0	On target to be completed in 2022/23
Total - Director of Corporate Services	3,364	2,194	(1,170)	

Item Scheme	Latest Approved Budget £000	Latest Projection £000	Variance £000	Comments
<u>Amandeep Khroud - Head of Governance, Law & Regulatory Services</u>				
39 Electoral Management System	9	9	0	-
Total - Head of Governance, Law & Regulatory Services	9	9	0	
<u>Rod Lean - Head of Economic Development</u>				
40 CLLD ERDF Capital Projects	867	867	0	Scheme entirely funded from European Regional Development Fund (ERDF) grant.
Total - Head of Economic Development	867	867	0	
<u>Gill Butler - Head of Housing</u>				
41 Temporary Accommodation	107	107	0	Waiting for suitable property to purchase and budget may require reprofiling to 2023/24
42 Disabled Facilities Grants	1,000	1,000	0	For 2022/23 there is a welcome increased demand from qualifying local home owners for grants and loans from this scheme and it is possible the budget will be exceeded. However, the total expenditure can be contained from within the grant funding allocated from central government. The position will continue to be monitored during 2022/23.
43 Home Safe Loans	148	148	0	Projection will be monitored throughout the year, as work is ongoing and reliant on client circumstances.
44 Empty Home Initiatives	300	300	0	Payments to KCC who administer the loans scheme for qualifying property in the district
Total - Head of Housing	1,555	1,555	0	
TOTAL GENERAL FUND MEDIUM TERM CAPITAL PROGRAMME	44,862	20,837	(24,025)	

This Report will be made public on 23 December 2022

Report Number **C/22/76**

To: Finance & Performance Scrutiny Sub-Committee
Date: 10 January 2023
Status: Non-Key Decision
Head of Service: Charlotte Spendley – Director of Corporate Services
Cabinet Member: Councillor David Monk - Cabinet Member for Finance

SUBJECT: GENERAL FUND REVENUE BUDGET MONITORING – 3RD QUARTER (Q3) 2022/23

SUMMARY: This monitoring report provides a projection of the end of year financial position of the General Fund revenue budget at Quarter three (Q3), based on expenditure and income to the 30 November 2022. The report shows an improved position for Q3 with an underspend now forecast until financial year end. The reporting format has also been re-aligned to improve the presentation of the budget monitoring information for Q3.

REASONS FOR RECOMMENDATIONS:

The Committee is asked to note the recommendation set out below as it needs to be informed of the council's General Fund revenue budget position and to note the revised forecast underspend position, and consider any action required as appropriate to be recommended to Cabinet.

RECOMMENDATIONS:

1. To receive and note Report C/22/76.

Report

1. INTRODUCTION AND BACKGROUND

- 1.1 This report updates the committee on the likely projected outturn for the General Fund Revenue budget for 2022/23. This is the second round of budget monitoring for the financial year and provides the latest set of data at Q3 which can be considered the most accurate to-date, given that the council is in month 9 of the financial year and has many months of data to use in projections.
- 1.2 The projections are made against the latest approved budget and based on data received from Budget Managers. This Q3 report will be the final budget monitoring report for the financial year before the final outturn position is considered at year end before the council closes its accounts for 2022/23.

2. CONTEXT FOR THE Q3 PERIOD MONITORING – THE COUNCIL'S OVER - ARCHING BUDGET POSITION

- 2.1 Members will be aware from recent reports to council and cabinet that the council faces a £4.3m budget funding gap for 2023/24. Officers are looking at solutions to reduce this budget gap.
- 2.2 In considering the budget gap, any underspend that can be generated in the current financial year 2022/23, can be carried forward to reserves to help bridge part of the budget gap.
- 2.3 Being mindful of this, the Chief Executive and the Corporate Leadership Team Directors have asked Budget Managers to rationalise spending where-ever possible for the remainder of the 2022/23 financial year and be prudent in the use of resources on discretionary items, but without compromising front line services to residents.
- 2.4 The key to this exercise has been to adopt a “marginal gains approach”, i.e. a small saving identified by every Manager (say for example on a supplies and service budget such as printing and stationery or subscriptions or a technical budget) will add up to a larger saving if all budget managers work together to achieve the same aim. Other areas such as income have also been considered and there has been a sharper focus on more detailed forecasting for Q3 to ensure projections reflect what the final outturn is likely to be. All budgets across the Council have applied this approach including the more technical budgets that cover grants income, business rates income and financing costs.
- 2.5 The results for the Q3 budget monitoring have been assembled and also been reviewed by Finance Team officers.

3. GENERAL FUND REVENUE 2022/23 - PROJECTED OUTTURN

3.1 The Q3 results are summarised in full below in the Table shown in paragraph 3.2 below. It should be noted that there are over 500 budget lines that have been reviewed in detail by Budget Managers and Finance Staff.

3.2 In summary, the Q3 position shows an overall projected revenue underspend position of £567,000. This compares to an underspend of £19,000 reported at Q2.

Table 1 – Q3 Budget Monitoring statement

**GENERAL FUND NET REVENUE EXPENDITURE
VARIANCE ANALYSIS 2022/23 - SUMMARY**

Qtr 3 2022/23

General Fund Net Cost of Services	Latest Approved Budget	Qtr 3 Projected Outturn	Q3 Variance	Q2 Variance
	£000	£000	£000	£000
A) Service Department/Team Budgets				
Finance, Strategy & Corporate Services	7,773	7,792	19	361
Human Resources	588	669	81	(17)
Governance & Law	2,611	2,723	112	180
Leadership Support	721	911	190	63
Place	6,291	6,136	(155)	(123)
Economic Development	1,067	1,073	6	36
Planning	144	253	110	(77)
Operations	2,086	1,926	(160)	215
Housing	3,254	2,953	(301)	(240)
(A) Total for Service Department / Teams	24,534	24,436	(98)	397
B) Technical and Funding Budgets				
Unallocated budget for vacancy drag impact	(195)	-	195	195
Internal Drainage Board Levies	493	506	13	-
Interest Payable and Similar Charges	801	646	(155)	(42)
Interest and Investment Income	(1,320)	(1,215)	105	114
New Homes Bonus Grant	(745)	(745)	-	-
Other-Technical & Non-Service Related Government Grants	(1,858)	(2,629)	(771)	(989)
Town and Parish Council Precepts	2,659	2,659	-	-
Minimum Revenue Provision	1,667	1,667	-	-
Capital Expenditure Financed from Revenue	2,545	1,486	(1,059)	(31)
(B) Total for Technical & Funding Budgets	4,047	2,375	(1,672)	(753)
C) Net Transfer to/from(-) Earmarked Reserves	(8,289)	(6,400)	1,889	932
D) TOTAL NET EXPENDITURE DEMAND (A + B - C)	20,292	20,411	119	576
E) Collection Fund (Council Tax & Business Rates)				
Business Rates Income	(2,816)	(3,198)	(382)	(335)
Council Tax - demand on Collection Fund	(13,592)	(13,896)	(304)	(261)
(E) TOTAL FOR COLLECTION FUND DEMAND	(16,408)	(17,094)	(686)	(596)
TOTAL GENERAL FUND BUDGET NET (D - E)	3,884	3,317	(567)	(20)

- 3.3 In preparing the table above, it should be noted that the Finance Team have made revisions to the presentation of this General Fund summary table to bring this into line with the requirements of the Service Code of Practice (SERCOP) which is a reporting requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA). The improvement of financial reporting is part of an on-going drive by the S151 Officer and the Finance Team to ensure financial information is transparent and easy to understand by recipients.
- 3.4 In short, all direct Service or Team spending is now shown in Section A of the Table. This covers the specific budgets used to fund services at the Council and includes budgets/costs for employees, transport, supplies and services, contracts, benefits, homelessness, and income from grants and fees and charges. Any carried forward funding from reserves from 2021/22 has also been applied to reflect the latest position.
- 3.5 This is followed by a Section B in the Table called Technical and Funding Budgets which covers items of a more corporate funding nature such as capital financing costs, investment income, Minimum Revenue Provision (MRP), levies, and precepts and any other technical budget adjustments. These budgets/costs are kept separate for accounting and service classification reasons under the SERCOP.
- 3.6 Finally the two last sections C and D of the Table identify :-
- a) Section C– identifies what is funded specifically from (or contributes to) reserves during the year – it is important to note that some of the existing reserves have been applied in 2022/23 to fund service costs or technical items, i.e. New Homes Bonus. Use of these reserves has been approved as part of the budget process. Also, certain types of grant income or underspends are transferred to reserves in-year if they have to be carried forward to next financial year.
 - b) Section D – identifies what is funded from the Collection Fund, i.e. the Council Tax requirement approved annually by Council and the Business Rates income yield, both of these elements used to fund the overall General Fund Budget.
- 3.7 In considering the results in the Table above, the following paragraphs provide a high-level narrative to explain the reasons for the movements between Q3 and Q2. Please note that there is also a detailed appendix 1 which provides a breakdown of all variances over £50k – see appendix 1 as attached.
- 3.8 In terms of Section A - Service Department / Teams – the overall spending forecast has decreased by £495,000 for Q3 in comparison to Q2. In overall terms there is an underspend of £98,000 forecast for the full financial year.
- 3.9 In terms of Section B – Technical and Funding Budgets – the overall spending forecast has decreased by £1.1m for Q3 in comparison to Q2. The main variance is a £1m adjustment which reflects the decrease in Capital

Expenditure funded from Revenue due to slippage in the capital programme for the reprofiling of capital expenditure from 2021/22. This includes the Otterpool master planning costs offset by the Garden community's grant and also the re-profiling of the Biggins Wood capital scheme.

- 3.10 It should be noted that any slippage in the capital programme will usually (subject to approval) be carried forward to the next financial year and therefore the revenue funding will also follow and be carried forward in the reserves balance to allow for this. In Section B, there has also been an underspend in interest rate charges, as whilst Bank of England rates have increased to 3.5%, the slippage in the capital programme has required less borrowing as a result. There is also an underspend for Other Government Grants due to additional Section 31 grant payable for business rate reliefs.
- 3.11 In terms of Section C – Net transfer from/to reserves, the reserves Table 2 below highlights the projected draws. There are three key movements between Q2 and Q3 which reflects the capital programme slippage as detailed in 3.10 above. There have also been additional reliefs for S31 grant released which will have to be utilised for the Collection Fund deficit. Finally there is the release of any budget carried forward amounts as detailed in paragraph 3.13 below.
- 3.13 It should also be noted that there are a number of carry forward reserves applied from carried forward balances in 2021/22 which will fund certain specific costs included in Section A - Service Department / Teams – these can be broken down as follows: -

<u>Budgets carried forward from 2021/22</u>	<u>£'000</u>
Covid Funding Expenditure carry forward	411
High Street Innovation Fund	387
Dowry Payments	150
Climate Change	82
Customer Access Point	217
Total carry forward reserves applied in 2022/23	<u>1.247</u>

NB – the reserves listed above are applied in Section A of Table 1 above.
Appendix 1 also highlights where the reserves have been applied by department

- 3.14 In terms of Section E of Table 1 – for Collection Fund (see paragraph 3.2) – there is marginal change between the Q2 and Q3 data. In short, the council is still expecting a surplus of business rates income from the pool benefits it receives. The Council Tax demand of £13.592m is fully on-target and a small surplus is forecast due to the council tax collection being just above target.
- 3.15 After allowing for the movements to, and from reserves, a balance of General Fund earmarked reserves is maintained at a level of £14.569m. The Council's General Fund Balance also stands at £6.058m.

3.16 A full breakdown of the Council's reserves and General Fund balance is shown in Table 2 below for reference.

3.17 Table 2 - Summary of General Fund earmarked reserves available at Q3 – 2023/23

Reserve	Balance at 1/4/2022 £'000	Projection £'000	Balance at 31/3/2023 £'000	Notes
Earmarked				
Business Rates	2,662	(1,119)	1,543	To support the Business Rate Retention scheme
Leisure Reserve	447	50	497	Leisure improvements - £250k ringfenced - maintenance
Carry Forwards	1,356	(391)	965	Previous year Budget carried forward
VET Reserve	287	(214)	73	Vehicle, equipment & technology replacement
Maintenance of Graves	12	0	12	Amounts in perpetuity for grave costs
New Homes Bonus (NHB)	1,997	(1,589)	408	Residual amount of remaining NHB
Corporate Initiatives	960	26	986	To support corporate plan and initiatives
IFRS Reserve	5	0	5	Accounting code changes support
Economic Development	1,985	(915)	1,070	Regeneration of District ringfenced Match-funding
Community Led Housing	310	(55)	255	Community Housing and affordable - ringfenced
Lydd Airport	9	0	9	Support costs ay Lydd Airport
Homelessness Prevention	958	(21)	937	Flexibly fund homelessness - funding to 2023/24
High Street Regeneration	1,575	(418)	1,157	Regeneration in High Street areas
Climate Change	4,880	(880)	4,000	Achieve Carbon net zero by 2030
Covid Recovery	3,526	(874)	2,652	Collection fund deficit 21/22 and 22/23 - funding
Total Earmarked Reserves	20,969	(6,400)	14,569	
Total General Fund Reserve	3,112	6,058	6,058	

4. Virement

4.1 As stated in the Council's virement policy, all virements will be reported retrospectively to Cabinet as part of the Council's budget monitoring procedures.

4.2 There are no virements to report for Q3.

5. CONCLUSIONS

5.1 The projected outturn shown for the General Fund Revenue account for 2022/23 reflects the position based on actual expenditure and forecasts at 30 November 2022 and projects an underspend of £567k.

5.2 If this level of underspend continues through to Q4 outturn, then this may be added to reserves and carried forward to the 2023/24 Budget.

5.3 A breakdown of variances of over £50k for Q3 is highlighted in Appendix 1. This also includes a summary of marginal gains savings at the base of the appendix.

6. RISK MANAGEMENT ISSUES

6.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
MTFS becomes out of date.	High	Low	The MTFS is reviewed annually through the budget process.
Assumptions may be inaccurate.	High	Medium	Budget monitoring is undertaken regularly and financial developments nationally are tracked. Assumptions are regularly reviewed.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (NM)

There are no legal implications arising directly out of this report.

7.2 Finance Officer's Comments (CS)

This report has been prepared by Financial Services. There are therefore no further comments to add.

7.3 Diversities and Equalities Implications

The report does not cover a new service/policy or a revision of an existing service/policy and therefore does not require an Equity Impact Assessment.

7.4 Climate Change Implications (OF)

As this report deals entirely with financial matters, there is no climate change impact.

7.5 Communications implications (KA)

There are no communications implications arising from this report.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councilors with any questions arising out of this report should contact the following officer prior to the meeting

Leanne Knight, Finance Specialist

Telephone: 01303 853515 Email: leanne.knight@folkestone-hythe.gov.uk

Brian Thompson, Interim CFSO

Telephone: 0773 9342464 Email: brian.thompson@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

Appendix 1 - Budget projection working papers.

DRAFT

APPENDIX 1

Q3 VARIANCE ANALYSIS 2022/23 - variances over £50k (and list of marginal gains savings £119k)

Qtr 3 2022/23

SERVICE DEPARTMENTS & TEAMS	Latest Approved Budget	Qtr 2 Projected Outturn	Qtr 3 Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE	£000	£000	£000	£000	
Human Resources					
Human Resources (Central Costs)	75	54	152	77	Higher advertising costs due to inflation and supply side pressures
Total - Human Resources	75	54	152	77	
Finance, Strategy & Corporate Services					
Otterpool (Local Planning Authority)	(17)	99	107	124	Planning and Temporary support costs
Climate Change Fees	141	222	241	100	Consultant support costs - funded from Climate Change Reserve
Memorandum note - £82k from reserves part funds the variance on the line above		(82)	(82)	(82)	
Covid-19	-	413	410	410	COMF Funding from Earmarked reserves and is expected to be fully utilised in 2022/23
Memorandum note - £411k from reserves funds the variance on the line above		(411)	(411)	(411)	
Council Tax Collection	(413)	(338)	(340)	73	Reduction to Court Cost income £75k and reduction in Bank Charges (£2k)
Housing Benefits	(230)	(179)	(71)	159	Variance due to reduced Rent Allowance expenditure and related subsidy
Rent Rebates	316	265	197	(118)	Variance due to lower rent rebate payments and related subsidy
Finance	647	767	710	63	Net effect of vacancies and unbudgeted temporary staff costs
Case Management (Corporate Services)	1,833	1,820	1,676	(158)	Net savings arising from vacant posts & temporary staff (£125k), new computer software (£22k), car allowances (£7k)
Revenues & Benefits	700	618	624	(76)	Unbudgeted DWP & CTAX rebate grants received in-year
Strategy Policy & Performance	692	628	617	(75)	Vacancies and temporary staff savings
Total - Finance, Strategy & Corporate Services	3,668	3,823	3,677	9	
Governance & Law					
Leas Cliff Hall	781	821	831	50	Inflationary pressures from supplier over budgeted spend
Communications	310	362	364	54	£44k Filming for the council and other minimal variances including reduced advertising income £3.5k and staffing vacancies £7k
Total - Governance & Law	1,092	1,183	1,195	104	
Leadership Support					
Director of Corporate Services	135	186	295	160	Interim support costs
Director of Transition & Transformation	3	16	51	48	Employee costs
Total - Leadership Support	138	202	346	208	

SERVICE DEPARTMENTS & TEAMS	Latest Approved Budget	Qtr 2 Projected Outturn	Qtr 3 Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE	£000	£000	£000	£000	
Place					
Household Waste Collection	1,190	1,315	1,377	187	Increased inflation in contract recharge; projected on costs for replacement bins; additional income for bulky waste charges (based on current figures)
Recycling and Waste	439	707	599	160	Increased inflation in Waste contract recharge
Hythe Swimming Pool	112	135	53	(59)	(£38k) additional income (£15k) employee cost saving
Cleansing	1,340	1,438	1,506	166	Inflationary increases in waste contract recharges; additional costs for Weed spraying works
Otterpool - Developer	4	(537)	(537)	(541)	Garden Communities Grant received (£525k)
Case Management (Place)	1,320	1,286	1,267	(53)	Net effect of vacancies and unbudgeted temporary staff costs
Customer Services	823	772	759	(64)	(£49k) net effect of vacancies and temporary staff costs; (£15k) contribution for Garden Waste settlement (for temp staff costs)
Area Officers	215	179	178	(37)	Vacancy saving
Total - Place	5,442	5,295	5,202	(241)	
Economic Development					
Services					
High Street Innovation Fund	421	810	810	389	High street innovation fund - Funded from carry forward reserves from 2021/22
Memorandum note - £387k from reserves funds the variance on the line above		(387)	(387)	(387)	
Total - Economic Development	421	423	423	2	
Planning					
Building Control	(292)	(247)	(223)	69	£20k Reduced income based on lower income received at the same time last year; £45k relates to dangerous Structures, major repairs items
Development Control	(956)	(1,001)	(907)	49	Increase in Income: Folkestone Seafront PPA (£110k), Nutrient Neutrality (£30k), PPA (£5k), decrease in pre-application income £2k and revised planning application fees £125k. Higher Professional advice & fees £70k associated with the higher PPA & Nutrient Neutrality Income and no Contribution to Kent Design fees (£3k)
Development Management	1,109	1,006	1,060	(50)	Net effect of vacancies and related temporary staff (£55k) and various other small variances £5k
Building Control	282	321	323	41	Vacancies savings offset by temporary staff costs
Total - Planning	144	79	253	110	
Operataions					
Community Parks & Open Spaces	852	1,018	1,023	170	£30.5k increased waste contract recharges (see GM14 for full description); £150k Dowry payments for play areas; (£10k) increased rental income
Memorandum note - £150k from reserves part funds the variance on the line above		(150)	(150)	(150)	
Off-Street Parking	(1,192)	(1,120)	(1,295)	(104)	£55k increase in RingGo's processing fees. £5k increase in court costs due to more prosecutions taking place due to non payment on parking fines (PCNs). £5k Contract Recharges = £2.5k Waste and £2.4k Parking. (£150k) additional parking charges income. (£10k) extra season ticket income. (£10k) residents parking permit income.
On-Street Parking Enforcement	(320)	(302)	(429)	(109)	£7k increase in RingGo's processing fees. (£127k) Increased parking income. £10k increase in contract recharges due to inflation
Lifeline Facilities	(151)	(99)	(38)	113	Reduction in lifeline income
Civic Centre	179	389	375	196	Projections includes £217k for Customer Access Point; Additional income (£10k) from increased rent; (£14k) maintenance budget projected underspend
Memorandum note - £217k from reserves part funds the variance on the line above		(217)	(217)	(217)	
Total - Operations	(632)	(482)	(733)	(101)	

SERVICE DEPARTMENTS & TEAMS	Latest Approved Budget	Qtr 2 Projected Outturn	Qtr 3 Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE	£000	£000	£000	£000	
Housing					
Homelessness	(14)	(59)	(99)	(85)	Additional income received (Housing Benefit for Temp Accommodation (£45k) and self contained - (£40k) placements). Any surplus is added to Homelessness Reserve at year end.
FHDC Temporary Accommodation	(22)	(61)	(73)	(51)	Projection variance due to lower spend on maintenance and utilities (£11k); Housing Benefit payments (£40k) - based on current costs and last year's outturn
Compliance	245	205	207	(38)	Net effect of vacancies and unbudgeted temporary staff costs
Supported Housing	384	333	337	(48)	Staff vacancies due to reorganisations (£48k)
Housing Strategy & Support	193	146	146	(47)	Vacancy savings
Total - Housing	787	564	517	(269)	

Unallocated budget for employee drag	-195	0	0	195	Vacancy factor reflected in the service areas
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Variations above £50k only					
Technical & Funding Budgets					
Interest Payable and Similar Charges	801	759	646	(155)	Interest savings from slippage (£217k) - plus increase in Bad Debt provision £62k
Interest and Investment Income	(1,320)	(1,206)	(1,215)	105	Reduced investment income contra to the above
New Homes Bonus Grant	(745)	(745)	(745)	-	
Other Technical & Non Service Government Grant Adjustments	(1,858)	(2,847)	(2,629)	(771)	Section 31 Grants and other reliefs / other technical budget changes / connect - 38
Town and Parish Council Precepts	2,659	2,659	2,659	-	
Minimum Revenue Provision	1,667	1,667	1,667	-	
Capital Expenditure Financed from Revenue	2,545	2,514	1,486	(1,059)	Capital slippage and carry forward of revenue requirement to 2023/24
TOTAL Technical & Funding Budgets	3,749	891	1,869	(1,880)	
Net Transfer to/from(-) Earmarked Reserves	(8,289)	(6,055)	(6,400)	1,889	Net movements in transfer to/ from reserves in 2022/23 (£1m is for capital slippage)
Business Rates Income	(2,816)	(3,151)	(3,198)	(382)	Additional yield from Pool benefits
Demand on the Collection Fund	(13,592)	(13,853)	(13,896)	(304)	Marginally higher levels of Council Tax collection in-year

Supplementary list of marginal gain savings from budget managers for Q3 (these variances were not present at Q2)

SERVICE	Latest Approved Budget	Qtr 2 Projected Outturn	Qtr 3 Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
	£000	£000	£000	£000	
Other Environmental Services	34	34	4	(30)	Underspend on emergency services budget
Prog Planned Maintenance	106	106	86	(20)	Underspend on planned maintenance budget
Planning Policy	112	112	94	(18)	Underspend on Local Plan costs within 22/23
RMC - Bridge Painting	23	17	10	(13)	Underspend as no painting to be carried out over winter months
Memorial Arch	15	15	5	(10)	Underspend on maintenance (currently not required)
Passenger Shelters	9	9	0	(9)	Underspend on Passenger Shelters
Hackney Carriage Licensing	(104)	(102)	(112)	(8)	Increase in income and additional savings made on spend
Street Furniture	12	12	6	(6)	Projection amended due to low spend
Client Side Unit	97	97	93	(3)	Underspend on professional advice and fees
Business Support - Systems	512	516	510	(3)	Underspend on computer software and miscellaneous subscriptions
Total				(119)	

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This Report will be made public on 23 December 2022

Report Number **C/22/79**

To: Cabinet
Date: 25 January 2023
Status: Non-Key Decision
Head of Service: Charlotte Spendley, Director of Corporate Services
Cabinet Members: Councillor David Monk, Leader of the Council and Councillor David Godfrey, Housing, Transport and Special Projects

SUBJECT: HRA Budget Monitoring Quarter 3

SUMMARY: This monitoring report provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 30 November 2022.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because Cabinet needs to be kept informed of the Housing Revenue Account position and take appropriate action to deal with any variance from the approved budget.

RECOMMENDATIONS:

1. To receive and note Report C/22/79.

1. INTRODUCTION

- 1.1 This report informs Cabinet of the likely projected outturn on HRA revenue and capital expenditure for 2022/23.
- 1.2 The projections are based on actual expenditure and income to 30 November 2022 and forecast the outturn position at 31 March 2023. Some caution therefore needs to be exercised when interpreting the results, however, a thorough budget monitoring exercise has been carried out.

2. HOUSING REVENUE ACCOUNT REVENUE 2022/23 (see Appendix 1)

- 2.1 The table below provides a summary of the projected outturn compared to the latest budget for 2022/23.

	Latest Budget £'000	Projection £'000	Variance £'000
Income	(17,258)	(17,226)	32
Expenditure	13,059	13,613	554
HRA Share of Corporate Costs	175	175	0
Net Cost of HRA Services	(4,024)	(3,439)	585
Interest Payable/(Receivable), etc	1,722	1,408	(314)
HRA (Surplus)/Deficit	(2,302)	(2,031)	271
Revenue Contribution to Capital	6,658	3,410	(3,248)
HRA Share of pension reserve movement	(295)	(295)	0
Decrease/(Increase) to HRA Reserve	4,061	1,084	(2,977)

- 2.2 The table shows that overall at quarter 3 there is a projected decrease in net expenditure of £2.1m on the HRA.

The main reasons for this are as follows:-

	£'000
Decrease in revenue contribution to capital (see 2.3 below)	(3,248)
Increase in interest and investment income (see 2.4 below)	(314)
Decrease in supervision and management (see 2.5 below)	(209)
Increase in depreciation charges of fixed assets (see 2.6 below)	685
Increase in repairs and maintenance (see 2.7 below)	77
Decrease in rental income (see 2.8 below)	32
Total net projected Housing Revenue Account variance*	(2,977)

* = compared to approved budget

- 2.3 The decrease in revenue contribution to capital mainly relates to re-profiling of i) the new build and acquisition programme ii) capital works (windows &

doors, re-roofing, door entry systems) with anticipated schemes being delayed to 2023/24 (see 3.3-3.6 below).

- 2.4 The increase in interest and investment income is due to the increase in bank base rate, currently at 3.50%, and higher than anticipated interest-earning balances on the HRA. The lower interest payable relates to lower refinancing costs for the HRA debt portfolio for 2022/23 than originally planned; these costs are now expected to feature in 2023/24.
- 2.5 The decrease in supervision and management is largely due to a reduction in professional advice and fees of £241k relating to now complete projects, offset partially by higher costs related to void properties (e.g. council tax and utility) and ultimately resulting in the £209k underspend.
- 2.6 The movement in depreciation charges for fixed assets is due to an increased asset valuation of council stock of approximately 20% at 31 March 2022, after the budget for 2022/23 was set. This has the effect of increasing the depreciation charged. It should, however, be noted that the increased depreciation charge provides a matched increase to the Major Repairs Reserve (see table at 3.7 below) which is used to fund capital spending. In turn, a corresponding saving has been made to the projected outturn for the revenue funding of capital expenditure, offsetting the increase in the depreciation charge.
- 2.7 The increase in repairs and maintenance relates to a net increase in costs for i) responsive repairs, including projected contract inflation for Mears, and ii) unbudgeted costs for disrepair compensation claims, offset by a change to a 'repair or replace' policy for window servicing and lower fire alarm renewal costs.
- 2.8 The decrease in income is largely due to i) void garages and ii) reduced income from service charges. Note, however, that the impact on income has been partially mitigated through a reduction in void garages from Q1 to Q3 owing to improvement works on the garage stock. Work is continuing on the remaining garages but there remains a projected decrease in income of £44k at 31 March 2023. Some of the aforementioned reduction in net income is offset by higher dwelling income resulting in the £32k variance to budget.
- 2.9 Overall, the HRA reserve at 31 March 2023 is expected to be ~£8.8m compared with ~£5.9m in the latest budget.

3. HOUSING REVENUE ACCOUNT CAPITAL 2022/23 (see Appendix 2)

- 3.1 The latest budget for the HRA capital programme in 2022/23 is £14.8m and the projected outturn for the year is £11.9m, an underspend of £2.9m.
- 3.2 The reasons for the decrease in expenditure are as follows:-

£'000

New Builds/Acquisitions (see 3.3 below)	(1,684)
Re-roofing (see 3.4 below)	(640)
Windows & Doors (see 3.5 below)	(292)
Door Block Entry (see 3.6 below)	(250)
Other minor variances	(29)
Total decrease against Latest Budget	<u>(2,895)</u>

3.3 The decrease in new build/acquisition expenditure relates predominantly to the re-profiling of the Highview scheme which has not progressed as quickly as anticipated and is now expected to commence during the next financial year. The team have been exploring new technology and construction methods to deliver a flagship scheme for the HRA following the Council declaring a climate emergency.

However, offsetting the above is an increase in the New Builds budget of £105k in relation to Ship Street which was approved at Council on the 28 September 22 (report A/22/17); it is anticipated that the expenditure for the design team and planning submissions will be spent in the current financial year (2022/23).

3.4 The decrease in re-roofing expenditure relates to delays in the procurement process, with tender documents due to be issued in September 2022. The delay in awarding the contract and the time of year when works can commence i.e. potentially unfavourable weather conditions, has resulted in the reduction of projected spend, which reflects actual spend to date and schemes where work has commenced.

3.5 The projected windows & doors expenditure relates to the procurement contract with Wrekin which totals £400k; re-procurement for the remainder of the budget is in progress with a commencement date of 1st April 2023, resulting in the variance noted for this year.

3.6 The decrease in block door entry relates to a 14-week delay of the doors for residential blocks with a subsequent reduction in the projection for 2022/23, given that the earliest start date is now due to be the end of February 2023.

3.7 The following table compares the resources required to finance the projected outturn for the HRA capital programme in 2022/23. The total variation shown below corresponds to the figure in section 3.1, above.

2022/23 HRA	1-4-1 Capital Receipts	Revenue Contribution	HRA Other Capital Receipts	Major Repairs Reserve	Total
	£'000	£'000	£'000	£'000	£'000
Projected Outturn	1,947	3,410	3,489	3,084	11,930
Approved	2,279	6,658	3,489	2,399	14,825
Variation	(332)	(3,248)	0	685	(2,895)

4. Update on the HRA Business Plan

- 4.1 Alongside this HRA Budget Monitoring report and the production of the HRA Draft Budget for 2023/24 is the development and production of the HRA 30 year Business Plan. The HRA Business Plan is the cornerstone of the financial and business planning requirement for the HRA in terms of delivery of its plans for social housing and the affordability of this, coupled with the long-term plans for the overall development and maintenance of the housing stock.

The current HRA Business Plan is being refreshed to allow for the recent stock condition survey results and for an update of the Council's HRA new build programme which is being developed by the Council's Housing team.

The HRA Business Plan is being developed in tandem with the budget planning exercise for 2023/24, however, due to the complex nature of the 30-year Business Plan, it is likely that the production of this will take a number of months to complete and consult upon, and therefore the plan may not be ready until after the HRA Budget Estimates are approved by Council in February 2023.

A set of HRA principles for the Business Plan is due to be presented to the Council's Scrutiny Committees in January 2023 by the Director of Housing and Operations and the Chief Officer for Housing. This presentation will outline the timescales for this.

5. CONCLUSION

- 5.1 The HRA revenue outturn projection for 2022/23 forecasts £3.0m lower expenditure than the latest approved budget for the reasons set out at section 2.2 of this report.
- 5.2 The HRA capital outturn projection for 2022/23 forecasts £2.9m lower expenditure than the latest approved budget due to capital re-profiling as outlined at section 3 of this report.
- 5.3 The projected outturn for both the HRA revenue expenditure and capital programme for 2022/23 reflects the position based on actual expenditure and forecasts at 30 November 2022.

6. RISK MANAGEMENT ISSUES

- 6.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The latest projection of the outturn could be materially	Medium	Medium	Areas at greater risk of variances are being closely monitored and an update will be made to

different to the actual year end position.			Cabinet if appropriate when this report is considered to allow action to be taken.
Capital receipts (including right to buy sales) not materialising	Medium	Low	The capital programme uses realised capital receipts only.
Insufficient capacity to manage delayed expenditure along with new year programme	Medium	Medium	The 2022/23 to 2023/24 capital programme will need to continue to be reviewed to take account of the capacity to manage the programme. 2022/23 planned expenditure will need to be reviewed to determine whether any expenditure will fall into 2023/24 and beyond.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Specialist's Comments (NM)

There are no legal implications arising from this report.

7.2 Finance Specialist's Comments (LW)

This report has been prepared by Financial Services. There are therefore no further comments to add.

7.3 Diversities and Equalities Implications (DA)

The report does not cover a new service/policy or a revision of an existing service or policy therefore does not require an EIA.

7.4 Climate Change Implications (OF)

There are no climate change implications arising from this report.

Consideration should be given to ensure that houses are built, repaired and upgraded using materials and techniques that are suitable to our changing climate.

7.5 Communications and Engagement Implications (KA)

There are no communication implications arising from this report.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Jonathan Smith, Senior Accountant

Tel: 01303 853780 Email:jonathan.smith@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

Budget projection working papers

Appendices:

[Appendix 1](#) Housing Revenue Account revenue budget monitoring report at 30 November 2022

[Appendix 2](#) Housing Revenue Account capital budget monitoring report at 30 November 2022

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HOUSING PORTFOLIO	LATEST APPROVED BUDGET £000	PROJECTED OUTTURN £000	VARIANCE £000	REASON
INCOME				
Dwelling rents	15,817	15,863	-46	See report note 2.8
Non-dwelling rents	342	298	44	See report note 2.8
Charges for services and facilities	1,047	1,013	34	See report note 2.8
Contributions from general fund	52	52	0	
Total Income	17,258	17,226	32	
EXPENDITURE				
Repairs and maintenance	4,091	4,168	77	Unbudgeted costs and contract inflation, offset by lower window servicing and fire alarm renewal costs (see report note 2.7).
Supervision and management	6,425	6,216	-209	Reduction in professional advice and fees for completed projects, offset partially by inflationary price increases & void costs (see report note 2.5)
Rents, rates and taxes	22	22	0	
Depreciation charges of fixed assets	2,399	3,084	685	Increased depreciation charge following asset revaluation (see report note 2.6)
Debt management expenses	23	23	0	
Bad debts provision	100	100	0	
Total Expenditure	13,059	13,613	553	
Net	-4,199	-3,614	585	
HRA Share of Corporate and Democratic Costs	175	175	0	
Net Cost of HRA Services	-4,024	-3,439	585	
Interest payable	1,633	1,510	-123	Reduced financing costs (see report note 2.4).
Interest and investment income	-11	-202	-191	Increased interest rates (see report note 2.4).
Pension Interest Cost	100	100	0	
Premiums and discounts	0	0	0	
(SURPLUS)/DEFICIT	-2,302	-2,031	271	
MOVEMENTS IN HRA BALANCE FOR 2022/23				
Repayment of debt	0	0	0	
Revenue contribution to capital	6,658	3,410	-3,248	Re-profiling of the new build & acquisition and capital works programme (see report note 2.3)
HRA Share of pension reserve movement	-295	-295	0	
Surplus/deficit for the year	-2,302	-2,031	271	
(Increase)/Decrease in Net Movement in HRA Balance	4,061	1,084	-2,977	
HRA Reserve balance brought forward	-9,928	-9,928	0	
HRA Reserve balance carried forward	-5,867	-8,844	-2,977	

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PORTFOLIO AND SCHEMES	LATEST APPROVED BUDGET	PROJECTED OUTTURN	VARIANCE	COMMENTS
HOUSING PORTFOLIO	£'000	£000	£000	
1. Planned Improvements				Additional procurement required for remainder of budgeted spend and now re-profiled to commence April 2023 (see report note 3.5)
Windows & Doors	732	440	-292	Procurement contract delay and unfavourable timing (weather conditions) - (see report note 3.4)
Re-roofing	800	160	-640	
Replacement Double Glazing Units	0	0	0	
Heating Improvements	649	649	0	
Kitchen Replacements	580	580	0	
Bathroom Improvements	444	444	0	
Voids Capital Works	300	300	0	
Disabled Adaptations	450	450	0	
Sheltered Scheme upgrades	80	80	0	
Rewiring	437	437	0	
Contract Specification	0	0	0	
Lift Replacement	60	30	-30	
Thermal Insulation	1,450	1,450	0	
Fire Protection Works	800	800	0	
Enhanced Capital Programme	0	0	0	
Smoke/CO/ Smoke Detectors	38	38	0	
Door Block Entry	409	159	-250	Delay in supply of communal doors for residential blocks (see report note 3.6).
Communal Areas	104	105	1	
Ross House	900	900	0	
SHDF Wave 1	0	0	0	
SHDF Wave 1 - Capital Works	0	0	0	
	8,233	7,022	-1,211	
2. Major Schemes				
External Enveloping *	392	392	0	
Garages Improvements	150	150	0	
Treatment Works	110	110	0	
Broadmead Road	0	0	0	
	652	652	0	
3. Environmental Improvements				
Environmental Works	30	30	0	
New Paths	50	50	0	
Play Areas	10	10	0	
	90	90	0	
4. Other Schemes				Re-profiled spend due to project delays arising from tender process and evaluation of costs (see report note 3.3).
New Builds/Acquisitions	5,802	4,118	-1,684	
EKH Single System	48	48	0	
Cash Incentive Scheme	0	0	0	
	5,850	4,166	-1,684	
TOTAL	14,825	11,930	-2,895	
FUNDING				
Major Repairs Reserve	2,399	3,084	685	
Revenue Contribution	6,658	3,410	-3,248	
1-4-1 Capital Receipts	2,279	1,947	-332	
HRA Other Capital Receipts	3,489	3,489	0	
TOTAL FUNDING	14,825	11,930	-2,895	

* This includes all items of the property structure that is external, such as roof, chimneys, gutters, fascias, eaves and repointing.

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This report will be made
public 23 December 2022

Report number **C/22/77**

To: Cabinet
Date: 25 January 2023
Status: Key Decision
Head of Service: Charlotte Spendley, Director of Corporate Services
Cabinet Member: Councilor David Monk – Leader and Portfolio Holder for Finance

SUBJECT: DRAFT GENERAL FUND BUDGET 2023/24

SUMMARY: This report sets out the Council's Draft General Fund budget for 2023/24.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because they form part of the budget-setting process which will culminate in Full Council approving the budget and council tax for 2023/24 on 22 February 2023, in accordance with the Local Government Finance Act 1992.

RECOMMENDATIONS:

1. To receive and note report C/22/77.
2. To approve the budget estimates, as detailed in the report, as the basis for preparing the final 2023/24 budget and council tax recommendations for approval by Full Council in February 2023

1. INTRODUCTION AND BACKGROUND

- 1.1 Council approved the Medium Term Financial Strategy 2023/24 to 2026/27 (MTFS) on 30 November 2022 and Cabinet agreed the Budget Strategy for 2023/24 on 14 December 2022. These reports considered the council's forecast budget position for 2023/24 from a strategic perspective. This report now sets out the detail for the draft General Fund budget, prior to Full Council approving the final budget proposals and the level of council tax at its meeting on 22 February 2023.
- 1.2 The budget proposals in this report have been prepared with the assumptions of a 2.99% council tax increase in 2023/24 in line with the latest referendum regulations provided in the Government's Provisional Local Government Settlement that was received by the Council on 19 December 2022. The final decision will not be confirmed until Full Council on 23 February 2022. The Council has a statutory requirement to set a balanced budget and Council Tax annually under the Local Government Finance Act 1992 and Council Tax (Administration and Enforcement) Regulations 1992.
- 1.3 In addition, to the final level of Council Tax to be set, the following elements of the Budget must also be completed :
- the forecast for Council Tax and net business rates income (NDR1)
 - the final council tax base position approved by S151 Officer
 - the final Local Government Finance Settlement from Government.

These items will be confirmed in the final budget report to Full Council on 22 February 2023.

- 1.3 The MTFS identified a General Fund budget shortfall of £4.286m for 2023/24. The Corporate Leadership Team, Assistant Directors and Chief Officers have reviewed current budget allocations and savings proposals. Unavoidable budget growth of £792k was approved by Cabinet on 14 December alongside revenue savings of £599k. In addition the review of fees & charge identified savings resulted in savings of £186k, being identified through the Budget Strategy process. The draft budget detailed in this report reflects the changes made as a result of these reviews.

The Table below summarises the Budget position for 2023/24

<u>MTFS Gap - existing gap</u>	<u>4,286,000</u>
Add Growth proposed	792,456
Less Savings proposed	-598,655
Less Fees and Charges proposed	-185,710
Revised - GAP (Cabinet 14/12/2022)	<u>4,294,091</u>

2. BUDGET CONTEXT

- 2.1 The context and financial climate have previously been set out in the MTFs and Budget Strategy reports. The Council continues to face a very challenging financial and economic climate as a result of the war in Ukraine and the impact of many other financial and economic pressures which have led to a period of high inflation and borrowing costs, coupled with high energy costs and a cost of living crisis, with many residents of the district now facing hardship. The United Kingdom itself faces a period of possible recession and public sector funding pressures over the near, medium and longer term.

Provisional Local Government Finance Settlement and technical adjustments to the Budget

- 2.2 The Provisional Local Government Finance Settlement was announced by the Department for Levelling Up, Housing & Communities (DLUHC) on 19 December 2022. The provisional settlement is once again a holding position, designed for stability and certainty within available resources as it is based on proposed allocations for 2023/24 with a set of policy principles for 2024/25. The broad approach is based on a uniform roll-over of the core elements of the 2022/24 settlement funding assessment (SFA) however, new additional resources have been made available for one further year of New Homes Bonus ; a new 3% Funding guarantee grant and a new service grant – plus a CPI multiplier cap compensation for Business Rates. These new resources are in the form of one-year grants and have been welcomed by Councils. Apart from the multiplier cap compensation, all Councils were unaware of these new grants until a policy paper was issued by DLUHC days, before the Provisional Local Government settlement was received.
- 2.3 In summary it has been proven to be a very good provisional settlement for Folkestone and Hythe District Council. In particular, the Council benefits from the receipt of additional new grants (one year only) for New Homes Bonus ; a new 3% Funding level guarantee and a new Service Grant allocation. The business rate multiplier compensation grant was expected once it was confirmed that the Government would compensate councils at CPI level rather than RPI.
- 2.4 The Table below summarises the funding gains for the Council as a result of the settlement – it should be noted that these results are subject to final settlement confirmation by the Government which is expected to be received before Full Council meets on 22 February 2023 to approve the final budget and set the statutory level of Council Tax for 2023/24.

Provisional Local Government Settlement (subject to Final settlement)

SFA increase (excluding rolled in grants) over 2022/23	-139,740
New Homes Bonus / Extra 1 year confirmed - NEW	-365,568
3% Funding level guarantee payment - NEW	-670,098
Service Grant Allocation - NEW	-144,991
Increase in BR Multiplier indexing compensation (provisional)	<u>-375,000</u>

Additional Funding received from Government -1,695,397

- 2.5 Since Cabinet met on 14 December 2022, there have been two other technical budget developments that have resulted in further savings for the Council. Kent County Council as administering authority for Kent Pension Fund is required to execute an actuarial valuation every three years (triennial review) to assess the pension fund position. The actuarial review sets revised contribution rates to ensure the pension fund remains on-track and is adequately funded.
- 2.6 Folkestone & Hythe District Council are a member of this fund and contribute to the fund (employers pension costs) for staff who are in the Local Government Pension Scheme. The Council has approved annual budgets to a make these contributions.
- 2.7 In summary, the latest valuation is likely to require a reduced level of contribution to the fund due to the improvements in the overall fund level since the last valuation in 2019. There are many reasons for this improved position, including the recovery from COVID-19 that affected the financial markets and pension valuations markedly in 2020.
- 2.8 The reduced level of contribution for the Council will save £320k in 2023/24 (subject to receiving the final confirmation letter from the actuary in March 2023.)
- 2.9 The second technical change is the confirmation in the settlement that District Council's can increase Council Tax to 2.99% without the need for a referendum. The MTFs had originally factored in a 1.99% increase and therefore a further 1% Council Tax yield is possible if Full Council agrees to this increase at its meeting on 22 February 2022. In addition to this, the Council has now prepared its detailed Council Tax base for 2023/24 (also subject to Full Council approval) and this has resulted in an additional 416 properties being added to the base. The net impact of these adjustments is an additional Council Tax yield of £230k – subject to Full Council agreement. It should also be noted that no referendum limits still apply for town and parish councils, as was the case last year for 2022/23.
- 2.9 The revised and reduced budget gap for the Council after allowing for the Provisional Local Government settlement and the technical adjustments is shown in the table below:

MTFS Gap - existing gap - Cabinet 14 December 2022

Revised - GAP (Cabinet 14/12/2022)	4,294,091
Increase in Tax base with Council Tax at 2.99% (Band D Avg)	-230,005
Provisional Local Government Settlement	-1,695,397
Kent Pension Fund Actuarial Valuation - revised contributions	-320,000
<u>Revised - total - GENERAL FUND GAP</u>	<u>2,048,689</u>

- 2.10 As detailed in paragraph 8.0 of the recent Budget Strategy report that was agreed by Cabinet on 14 December 2022, the Council's Corporate Leadership Team continues to review and determine a range of approaches to address the budget gap in the short and medium term. The final Budget report for Full Council on 22 February 2022 will outline the final budget recommendations to ensure a balanced budget recommended to Full Council for Council Tax setting purposes on 22 February 2023.
- 2.11 It should also be noted that the Council is still awaiting the final settlement of the pay award for staff, however provision already exists with the MTFS for the payments of this award.

3. DETAILED DRAFT GENERAL FUND BUDGET 2023/24

- 3.1 The draft budget for 2023/24 (including the factors outlined above) is presented in detail at Appendix 1 compared to the original budget for 2022/23. It includes the draft position for the Council's contribution to the Folkestone Parks and Pleasure Grounds Charity, the cost of which determines the special expense falling on Folkestone and Sandgate taxpayers.
- 3.2 The budget estimates are presented on a 'controllable' basis only; all internal service area recharges, capital charges and certain other technical accounting adjustments are excluded. Focus can therefore be on real changes in expenditure and income within a service area.
- 3.3 Table 1 below sets out a summary of the budget. Appendix 1 provides a more detailed breakdown of the budget across service areas.

Table 1: General Fund Summary – with all the updated Budget Pages following

**GENERAL FUND
SUMMARY**

	2022/23 Original Budget	2023/24 Original Budget
	(Based on outturn prices)	
	£	£
SUMMARY OF NET EXPENDITURE		
Service Heads		
Finance, Strategy & Corporate Services	7,695,250	8,301,370
Human Resources	626,780	683,190
Governance & Law	2,589,890	2,951,100
Leadership Support	1,004,220	740,960
Place	6,254,240	6,662,940
Economic Development	762,030	479,870
Planning	137,020	165,400
Operations	1,486,040	2,364,630
Strategic Development	39,670	-
Housing	3,342,840	3,048,610
Recharges	(5,727,500)	(5,919,556)
Vacancy Target & Savings Target not included in service heads	74,000	(224,000)
TOTAL HEAD OF SERVICE NET EXPENDITURE	18,284,480	19,254,514
Internal Drainage Board Levies	493,241	556,565
Interest Payable and Similar Charges	801,000	2,502,000
Interest and Investment Income	(1,320,000)	(2,521,000)
	-	-
New Homes Bonus Grant	(744,700)	(365,568)
Other non-service related Government Grants	(2,088,051)	(4,092,551)
Town and Parish Council Precepts	2,659,325	2,659,325
TOTAL GENERAL FUND OPERATING NET EXP	18,085,295	17,993,285
Net Transfers to/(from) Earmarked Reserves	(5,507,170)	(1,387,000)
Minimum Revenue Provision	1,667,000	1,625,000
Capital Expenditure funded from Revenue	2,363,000	1,789,000
TOTAL TO BE MET FROM LOCAL TAXPAYERS	16,608,125	20,020,285
Transfer to/(from) the Collection Fund	-	50,000
Business Rates Income	(2,815,831)	(3,872,289)
Revenue Support Grant	-	-
TOTAL TO BE MET FROM DEMAND ON THE COLLECTION FUND & GENERAL RESERVE	13,792,294	16,197,996
Council Tax-Demand on Collection Fund	(13,591,730)	(14,149,945)
(SURPLUS)/DEFICIT FOR YEAR	200,564	2,048,051
GENERAL RESERVE		
Balance at Beginning of Year		
(Surplus)/Deficit for Year	200,564	2,048,051
BALANCE AT END OF YEAR	200,564	2,048,051

Service Budget Changes 2022/23 to 2023/24

3.4 Forecast Head of Service net expenditure has decreased by £79,900 (0.44%):

	Budget
	£
Original 2022/23 General Fund Budget	18,284,480
Original 2023/24 General Fund Budget	<u>19,254,514</u>
Change	<u>1,240,034</u>

4. RESERVES

4.1 The forecast balance on the General Reserve was reported in the Budget Strategy on 14 December 2022 and is being reported to Cabinet on 25 January 2023 as part of General Fund Budget Monitoring. It will be updated to reflect planned use and 2022/23 outturn predictions (budget carry forwards or reserve additions) for inclusion in the final budget reports to Cabinet and Council on 22 February 2022

4.2 Estimates of changes to Earmarked Reserves are shown below as outlined in the latest Quarter 3 Budget Monitoring report to Cabinet on 25 January 2023:

Reserve	Balance at 1/4/2022 £'000	Projection £'000	Balance at 31/3/2023 £'000	Notes
Earmarked				
Business Rates	2,662	(1,119)	1,543	To support the Business Rate Retention scheme
Leisure Reserve	447	50	497	Leisure improvements - £250k ringfenced - maintenance
Carry Forwards	1,356	176	1,532	Previous year Budget carried forward
VET Reserve	287	(214)	73	Vehicle, equipment & technology replacement
Maintenance of Graves	12	0	12	Amounts in perpetuity for grave costs
New Homes Bonus (NHB)	1,997	(1,589)	408	Residual amount of remaining NHB
Corporate Initiatives	960	26	986	To support corporate plan and initiatives
IFRS Reserve	5	0	5	Accounting code changes support
Economic Development	1,985	(915)	1,070	Regeneration of District ringfenced Match-funding
Community Led Housing	310	(55)	255	Community Housing and affordable - ringfenced
Lydd Airport	9	0	9	Support costs ay Lydd Airport
Homelessness Prevention	958	(21)	937	Flexibly fund homelessness - funding to 2023/24
High Street Regeneration	1,575	(418)	1,157	Regeneration in High Street areas
Climate Change	4,880	(880)	4,000	Achieve Carbon net zero by 2030
Covid Recovery	3,526	(874)	2,652	Collection fund deficit 21/22 and 22/23 - funding
Total Earmarked Reserves	20,969	(5,833)	15,136	
Total General Fund Reserve	3,112	6,058	6,058	

5. BUDGET PREPARATION – NEXT STEPS

- 5.1 The following items remain subject to confirmation:
- Final Local Government Finance Settlement – due January 2023.
 - Council Tax Base position – complete
 - Town and parish precepts – by end January 2023
 - Business rates income forecast–NNDR1 submitted to Government
- 5.2 These will be covered in the final budget reports to Cabinet and Council on 23 February 2022, along with details of the special expense charged to Folkestone and Sandgate taxpayers.

6. ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

- 6.1 The Local Government Act 2003 requires the Council’s Chief Finance Officer to formally give an opinion on the robustness of the budget and adequacy of reserves.
- 6.2 The Chief Finance Officer’s statement will be presented to Council when it considers the budget for 2023/24 on 22 February 2023; it will set out the assumptions used to arrive at the final budget recommendations.

7. BUDGET CONSULTATION

- 7.1 The objectives for consultation on the 2023/24 budget proposals will be to:
- (i) Engage with key stakeholder groups and local residents;
 - (ii) Seek feedback on specific budget proposals for 2023/24; and
 - (iii) Seek feedback on general spending and income generation priorities

- 7.2 The target audience and communication channels will include:

Group
Residents

Channel

- Council website and social media
- Dedicated e-mail address
- Option to submit information by post

Business Community

Consultation shared with Folkestone & Hythe Business Advisory Board

Other Community Groups

Consultation to be shared with key stakeholder

Town and Parish Councils.

Direct communication meeting and to invite feedback.

- 7.3 Consultation feedback responses will be summarised and reported to Cabinet in February.

8. CONCLUSION

- 8.1 Cabinet is asked to approve the budget estimates, as detailed in this report, as the basis for preparing the final 2023/24 budget and council tax recommendations for approval by Council in February 2023.

9. RISK MANAGEMENT ISSUES

- 9.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Deteriorating economic climate	Medium	Medium	Setting of a prudential budget and continuing strong financial control in the Council's decision making. Current inflationary impacts have been modelled into base budget.
Budget strategy not achieved.	High	Low-medium	Close control of the budget making process and a prompt and decisive response to addressing budget issues. Stringent budget monitoring and reporting during 2023/24 and future years.
MTFS becomes out of date.	High	Low	The MTFS is fully reviewed annually through the budget process.
Assumptions may be inaccurate.	High	Medium	Budget monitoring is undertaken regularly and financial developments nationally are tracked. Assumptions are regularly reviewed. Detailed budget has been fully reviewed ahead of proposals made.
Incorrect assessment of Local Government Finance Settlement impact.	High	Low	Current position is based on known information. Position will be updated before February report is presented.

10. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

10.1 Legal Officer's Comments (AK)

Subject to Cabinet ensuring best value and having regard to its general fiduciary duties and those relating to equality, transparency and efficiency, there are no legal implications arising directly out of this report.

10.2 Finance Officer's Comments (CS)

The Budget for 2023/24 will be submitted for approval by Cabinet and Full Council in February. This report is the latest stage in the detailed budget process and will be used to inform the preparation of the final budget proposals.

10.3 Diversities and Equalities Implications (CS)

The budget report to Council in February 2023 will include an Equality Impact Assessment of the budget recommendations for 2023/24.

11. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Charlotte Spendley, Director of Corporate Services
Tel: 07935 517986
E-mail: charlotte.spendley@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

- Medium Term Financial Strategy 2023/24 to 2026/27
- Budget Strategy 2023/24

Appendices:

Appendix 1 – General Fund Budget Estimates (detail)

Charlotte Spendley
Finance, Strategy & Corporate Services Summary

		<u>Service</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
25,462 EC12	Planning Policy	112,140	112,140	0
248,185 EC14	Otterpool (Local Planning Authority)	-17,160	100,160	117,320
175,515 EC15	Climate Change Fees	139,550	142,430	2,880
86,700 FD15	Corporate Management-Misc Expenditure	308,770	447,280	138,510
-981 FD21	Covid Winter Grant Scheme	0	0	0
10,000 FD22	Homes for Ukraine	0	0	0
-849,988 FD19	Covid-19	0	0	0
-57,049 FD70	Corporate Management-Recharges	-50,000	-50,000	0
1,177,000 FF15	Pensions Back Funding	1,470,000	1,200,000	-270,000
-1,153,396 FF16	Non-Distributed Costs	52,650	52,650	0
-84,500 FH18	General Grants	82,000	82,000	0
-196,260 FL05	Business Rates Collection	-172,030	-172,030	0
-227,107 FL20	Council Tax Collection	-412,680	-412,680	0
59,386 FL21	Council Tax Benefits	-15,000	-15,000	0
-584,394 FL22	Council Tax Reduction Scheme	-597,700	-597,700	0
-541,393 FN01	Housing Benefits	-229,700	-214,250	15,450
164,143 FN02	Rent Rebates	315,720	287,100	-28,620
-1,748,677	Service Total	986,560	962,100	-24,460

		<u>Administration</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
0 GA00	Accountancy	-2,840	0	2,840
484,248 GA04	Finance	636,120	782,630	146,510
717,217 GA07	ICT Admin	641,870	811,680	169,810
74,926 GA08	Treasury Management	50,150	90,150	40,000
2,096,171 GA09	Case Management (Corporate Services)	1,899,610	1,992,480	92,870
595,505 GA20	Revenues & Benefits	527,920	732,930	205,010
651,872 GA22	Business Support - Systems	485,730	487,550	1,820
198,320 GA54	Printing Services	207,350	78,920	-128,430
7,681 GL60	Transformation Project	0	0	0
749,412 GM12	Strategy, Policy & Performance	679,490	695,280	15,790
3,000 GM13	ICT Contract	0	0	0
1,393,281 GM19	ICT Operations	1,464,590	1,548,950	84,360
111,886 GP00	Internal Audit	118,700	118,700	0
7,083,519	Administration Total	6,708,690	7,339,270	630,580

Charlotte Spendley
Finance, Strategy & Corporate Services Detail

2021/22 Actual	<u>Service</u>	2022/23 Original Budget	2023/24 Original Budget	Variances
	EC12 Planning Policy			
25,462	Supplies & Services	112,140	112,140	0
25,462	Gross Expenditure	112,140	112,140	0
0	Other Income	0	0	0
25,462	Net Expenditure	112,140	112,140	0
	EC14 Otterpool (Local Planning Authority)			
114,227	1 Employees	0	100,000	100,000
133,959	Supplies & Services	150	160	10
248,185	Gross Expenditure	150	100,160	100,010
0	2 Other Income	-17,310	0	17,310
248,185	Net Expenditure	-17,160	100,160	117,320
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Growth			100,000
	2 Removal of Otterpool recharge income			17,310
	EC15 Climate Change Fees			
166,099	Employees	69,050	71,880	2,830
39,417	Supplies & Services	70,500	70,550	50
205,515	Gross Expenditure	139,550	142,430	2,880
-30,000	Other Income	0	0	0
175,515	Net Expenditure	139,550	142,430	2,880
	FD15 Corporate Management			
112,339	1 Supplies & Services	308,800	419,810	111,010
0	2 Third Party Payments	0	27,500	27,500
112,339	Gross Expenditure	308,800	447,310	138,510
-25,639	Other Income	-30	-30	0
86,700	Net Expenditure	308,770	447,280	138,510
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Growth			111,000
	2 Permanent virement (GA62)			27,500
	FD19 Covid-19			
85,764	Employees	0	0	0
3,961	Premises-Related Expenditure	0	0	0
363,796	Supplies & Services	0	0	0
63,696	Transfer Payments	0	0	0
517,217	Gross Expenditure	0	0	0
-1,367,205	Other Income	0	0	0
-849,988	Net Expenditure	0	0	0
	FD21 Covid Winter Grant Scheme			
18,844	Supplies & Services	0	0	0
18,844	Gross Expenditure	0	0	0
-19,826	Other Income	0	0	0
-981	Net Expenditure	0	0	0
	FD22 Homes for Ukraine			
10,000	Supplies & Services	0	0	0
10,000	Gross Expenditure	0	0	0
0	Other Income	0	0	0
10,000	Net Expenditure	0	0	0

FD70	Corporate Management–Recharges			
0	Gross Expenditure	0	0	0
-57,049	Other Income	-50,000	-50,000	0
-57,049	Net Expenditure	-50,000	-50,000	0
FF15	Pensions Back Funding			
1,177,000	1 Employees	1,470,000	1,200,000	-270,000
1,177,000	Gross Expenditure	1,470,000	1,200,000	-270,000
0	Other Income	0	0	0
1,177,000	Net Expenditure	1,470,000	1,200,000	-270,000
Key Variances from Original Budget 2022/23 to Original Budget 2023/24				
	1 Actuarial valuation adjustment			-270,000
FF16	Non-Distributed Costs			
-1,153,396	Employees	52,650	52,650	0
-1,153,396	Gross Expenditure	52,650	52,650	0
0	Other Income	0	0	0
-1,153,396	Net Expenditure	52,650	52,650	0
FH18	General Grants			
82,000	Supplies & Services	82,000	82,000	0
82,000	Gross Expenditure	82,000	82,000	0
-166,500	Other Income	0	0	0
-84,500	Net Expenditure	82,000	82,000	0
FL05	Business Rates Collection			
900,175	Supplies & Services	2,900	2,900	0
900,175	Gross Expenditure	2,900	2,900	0
-1,096,434	Other Income	-174,930	-174,930	0
-196,260	Net Expenditure	-172,030	-172,030	0
FL20	Council Tax Collection			
0	Supplies & Services	2,320	2,320	0
0	Gross Expenditure	2,320	2,320	0
-227,107	Other Income	-415,000	-415,000	0
-227,107	Net Expenditure	-412,680	-412,680	0
FL21	Council Tax Benefits			
59,386	Transfer Payments	-15,000	-15,000	0
59,386	Gross Expenditure	-15,000	-15,000	0
0	Other Income	0	0	0
59,386	Net Expenditure	-15,000	-15,000	0
FL22	Council Tax Reduction Scheme			
15,000	Employees	100	100	0
263,112	Supplies & Services	0	0	0
278,112	Gross Expenditure	100	100	0
-862,506	Other Income	-597,800	-597,800	0
-584,394	Net Expenditure	-597,700	-597,700	0
FN01	Housing Benefits			
12,000	Supplies & Services	11,000	11,000	0
18,679,609	1 Transfer Payments	23,694,820	14,793,690	-8,901,130
18,691,609	Gross Expenditure	23,705,820	14,804,690	-8,901,130
-19,233,002	1 Other Income	-23,935,520	-15,018,940	8,916,580
-541,393	Net Expenditure	-229,700	-214,250	15,450
Key Variances from Original Budget 2022/23 to Original Budget 2023/24				
	1 Net effect of lower HB expenditure and related HB subsidy			15,400

FN02	Rent Rebates			
7,830,579	1 Transfer Payments	9,136,230	6,901,220	-2,235,010
7,830,579	Gross Expenditure	9,136,230	6,901,220	-2,235,010
-7,666,436	1 Other Income	-8,820,510	-6,614,120	2,206,390
164,143	Net Expenditure	315,720	287,100	-28,620

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Net effect of lower HB expenditure and related HB subsidy	-28,600
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Administration

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	GA00			
	Accountancy			
0	Gross Expenditure	0	0	0
0	Other Income	-2,840	0	2,840
0	Net Expenditure	-2,840	0	2,840
	GA04			
	Finance			
766,614	1 Employees	624,880	769,710	144,830
619	Transport-Related Expenditure	2,050	1,750	-300
69,326	Supplies & Services	44,590	46,570	1,980
836,559	Gross Expenditure	671,520	818,030	146,510
-352,311	Other Income	-35,400	-35,400	0
484,248	Net Expenditure	636,120	782,630	146,510

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Approved Budget Strategy Growth	80,000
1 Agreed new post (outside of Growth exercise)	26,000
1 Employee Costs including Increments and Pension	41,000

	GA07			
	ICT Admin			
691,111	1 Employees	645,740	802,730	156,990
17,550	Premises-Related Expenditure	0	0	0
2,456	Transport-Related Expenditure	2,500	2,500	0
6,101	Supplies & Services	3,630	6,450	2,820
717,217	Gross Expenditure	651,870	811,680	159,810
0	2 Other Income	-10,000	0	10,000
717,217	Net Expenditure	641,870	811,680	169,810

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Approved Budget Strategy Growth	48,000
1 Restructure of Establishment incl. Transformation (GA54)	57,000
1 Agreed new post (outside of Growth exercise)	20,000
1 Employee Costs including Increments and Pension	33,000
2 Removal of Otterpool recharge income	10,000

	GA08			
	Treasury Management			
74,926	1 Supplies & Services	50,150	90,150	40,000
74,926	Gross Expenditure	50,150	90,150	40,000
0	Other Income	0	0	0
74,926	Net Expenditure	50,150	90,150	40,000

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Approved Budget Strategy Growth	40,000
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GA09 Case Management (Corporate Services)				
2,067,670	1 Employees	1,817,100	1,950,440	133,340
10,228	Transport-Related Expenditure	10,530	8,530	-2,000
21,998	2 Supplies & Services	75,480	37,010	-38,470
<u>2,099,895</u>	Gross Expenditure	<u>1,903,110</u>	<u>1,995,980</u>	<u>92,870</u>
-3,724	Other Income	-3,500	-3,500	0
<u>2,096,171</u>	Net Expenditure	<u>1,899,610</u>	<u>1,992,480</u>	<u>92,870</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Permanent virement (GA54)	81,000
1 Restructure of Establishment incl. Transformation (GA54)	-11,000
1 Permanent virement (GA20)	-163,000
1 Employee Costs including Increments and Pension	86,000
1 Permanent virement (GA23)	32,000
1 Approved Budget Strategy Growth	104,000
2 Permanent virement (budget adjustment from Growth & Savings 22-23)	-40,000
2 Approved Budget Strategy Savings	-10,000
2 Adjustment to Centrally Determined Costs	11,000

GA20 Revenues & Benefits				
534,732	1 Employees	400,600	592,360	191,760
3,124	Transport-Related Expenditure	3,200	5,000	1,800
183,734	2 Supplies & Services	124,680	136,130	11,450
<u>721,590</u>	Gross Expenditure	<u>528,480</u>	<u>733,490</u>	<u>205,010</u>
-126,085	Other Income	-560	-560	0
<u>595,505</u>	Net Expenditure	<u>527,920</u>	<u>732,930</u>	<u>205,010</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Permanent virement (GA09)	163,000
1 Employee Costs including Increments and Pension	22,000
2 Change in Postage recharges	10,700

GA22 Business Support - Systems				
626,921	1 Employees	467,590	448,930	-18,660
0	Transport-Related Expenditure	200	200	0
24,951	2 Supplies & Services	17,940	38,420	20,480
<u>651,872</u>	Gross Expenditure	<u>485,730</u>	<u>487,550</u>	<u>1,820</u>
0	Other Income	0	0	0
<u>651,872</u>	Net Expenditure	<u>485,730</u>	<u>487,550</u>	<u>1,820</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Budget re-alignment	-48,000
1 Employee Costs including Increments and Pension	29,000
2 Permanent virement (budget adjustment from Growth & Savings 22-23)	20,000

GA54 Printing Services				
176,644	1 Employees	147,220	0	-147,220
0	Transport-Related Expenditure	550	300	-250
22,748	2 Supplies & Services	59,580	78,620	19,040
<u>199,392</u>	Gross Expenditure	<u>207,350</u>	<u>78,920</u>	<u>-128,430</u>
-1,072	Other Income	0	0	0
<u>198,320</u>	Net Expenditure	<u>207,350</u>	<u>78,920</u>	<u>-128,430</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Restructure of Establishment incl. Transformation (GA07 & GA09)	-138,000
1 Approved Budget Strategy Savings	-11,500
2 MTFS adjustment	35,000
2 Approved Budget Strategy Savings	-8,750
2 Approved Budget Strategy Growth	12,000
2 Change in Postage recharges	-19,780

GL60	Transformation Project			
15,766	Employees	0	0	0
-13,200	Premises-Related Expenditure	0	0	0
5,115	Supplies & Services	0	0	0
<u>7,681</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
0	Other Income	0	0	0
<u>7,681</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>

GM12	Strategy, Policy & Performance			
750,223	1 Employees	678,840	691,630	12,790
473	Transport-Related Expenditure	320	320	0
<u>10,281</u>	Supplies & Services	<u>5,330</u>	<u>8,330</u>	<u>3,000</u>
760,977	Gross Expenditure	684,490	700,280	15,790
-11,565	Other Income	-5,000	-5,000	0
<u>749,412</u>	Net Expenditure	<u>679,490</u>	<u>695,280</u>	<u>15,790</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	12,790
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GM13	ICT Contract			
3,000	Third Party Payments	0	0	0
<u>3,000</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
0	Other Income	0	0	0
<u>3,000</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>

GM19	ICT Operations			
1,393,281	1 Supplies & Services	1,464,590	1,548,950	84,360
<u>1,393,281</u>	Gross Expenditure	<u>1,464,590</u>	<u>1,548,950</u>	<u>84,360</u>
0	Other Income	0	0	0
<u>1,393,281</u>	Net Expenditure	<u>1,464,590</u>	<u>1,548,950</u>	<u>84,360</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Contract Inflation	13,000
1 Approved Budget Strategy Growth	159,300
1 Approved Budget Strategy Savings	-66,700
1 Permanent virement (CE45)	-22,500

GP00	Internal Audit			
111,886	Third Party Payments	118,700	118,700	0
<u>111,886</u>	Gross Expenditure	<u>118,700</u>	<u>118,700</u>	<u>0</u>
0	Other Income	0	0	0
<u>111,886</u>	Net Expenditure	<u>118,700</u>	<u>118,700</u>	<u>0</u>

**Andrina Smith
Human Resources Summary**

		<u>Service</u>		
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Original to Original Variance £
19,731	FD16 Corporate Training	16,000	12,800	-3,200
19,731	Service Total	16,000	12,800	-3,200

		<u>Administration</u>		
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Original to Original Variance £
564,422	GL45 Organisational Development/HR	484,370	540,480	56,110
53,301	GM07 Payroll	51,140	51,140	0
-51,716	GM08 Human Resources (Corporate Training)	-61,850	-61,850	0
128,848	GM09 Human Resources (Central Costs)	74,620	78,120	3,500
2,670	GM10 Central Training Budget	62,500	62,500	0
697,524	Administration Total	610,780	670,390	59,610

**Andrina Smith
Human Resources Detail**

		<u>Service</u>		
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
19,731	FD16 Corporate Training	16,000	12,800	-3,200
19,731	Employees	16,000	12,800	-3,200
0	Gross Expenditure	16,000	12,800	-3,200
19,731	Other Income	0	0	0
19,731	Net Expenditure	16,000	12,800	-3,200

		<u>Administration</u>		
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
509,013	GL45 Organisational Development/HR	444,050	473,380	29,330
180	1 Employees	400	400	0
65,101	Transport-Related Expenditure	41,190	66,700	25,510
574,294	2 Supplies & Services	485,640	540,480	54,840
-9,872	Gross Expenditure	-1,270	0	1,270
564,422	Other Income	484,370	540,480	56,110
564,422	Net Expenditure	484,370	540,480	56,110

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	29,330
2 Approved Budget Strategy Growth	10,000
2 Permanent virement (budget adjustment from Growth & Savings 22-23)	15,000

GM07	Payroll			
53,301	Premises-Related Expenditure	51,140	51,140	0
53,301	Gross Expenditure	51,140	51,140	0
0	Other Income	0	0	0
53,301	Net Expenditure	51,140	51,140	0
GM08	Human Resources (Corporate Training)			
48,586	Employees	38,150	38,150	0
48,586	Gross Expenditure	38,150	38,150	0
-100,302	Other Income	-100,000	-100,000	0
-51,716	Net Expenditure	-61,850	-61,850	0
GM09	Human Resources (Central Costs)			
119,980	1 Employees	50,220	61,220	11,000
26,459	2 Supplies & Services	24,400	16,900	-7,500
146,439	Gross Expenditure	74,620	78,120	3,500
-17,591	Other Income	0	0	0
128,848	Net Expenditure	74,620	78,120	3,500
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Permanent virement (GM09)			10,500
	2 Permanent virement (GM09)			-10,500
GM10	Central Training Budget			
2,670	Employees	62,500	62,500	0
2,670	Gross Expenditure	62,500	62,500	0
0	Other Income	0	0	0
2,670	Net Expenditure	62,500	62,500	0

**Amandeep Khroud
Governance & Law Summary**

		<u>Service</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
-41,879	DA12	-19,000	-19,000	0
763,559	EA01	781,080	899,770	118,690
353,180	FE05	358,070	358,140	70
26,223	FE15	20,270	23,710	3,440
15,602	FE20	13,560	12,210	-1,350
-102,277	FE70	-120,000	-120,000	0
61,005	FH03	81,260	85,340	4,080
-19,375	FH04	40,000	180,000	140,000
1,056,038	Service Total	1,155,240	1,420,170	264,930

		<u>Administration</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
101,519	GA03	95,220	101,350	6,130
137,838	GA10	115,690	121,920	6,230
1,642	GA11	2,000	2,000	0
3,366	GA24	3,500	3,500	0
306,874	GL00	275,090	296,100	21,010
159,071	GL41	134,940	140,820	5,880
262,155	GL51	238,130	249,570	11,440
-1,868	GM14	0	0	0
276,090	GM34	218,150	244,740	26,590
345,680	GM37	303,650	322,650	19,000
1,592,366	Administration Total	1,386,370	1,482,650	96,280

		<u>Holding</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
-43,142	FX04	0	0	0
50,241	GX02	48,280	48,280	0
7,099	Holding Total	48,280	48,280	0

**Amandeep Khroud
Governance & Law Services Detail**

2021/22 Actual	<u>Service</u>	2022/23 Original Budget	2023/24 Original Budget	Variances
0	DA12 Street Naming & Numbering	0	0	0
-41,879	Other Income	-19,000	-19,000	0
-41,879	Net Expenditure	-19,000	-19,000	0
763,559	EA01 Leas Cliff Hall			
763,559	1 Third Party Payments	781,080	899,770	118,690
0	Other Income	0	0	0
763,559	Net Expenditure	781,080	899,770	118,690
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Contract Inflation			118,690
1,902	FE05 Members Allowances & Expenses			
1,233	Employees	8,000	8,000	0
350,058	Transport-Related Expenditure	4,500	4,500	0
353,193	1 Supplies & Services	345,570	345,640	70
-13	Other Income	0	0	0
353,180	Net Expenditure	358,070	358,140	70
26,223	FE15 Dem Rep & Man-Misc Expenditure			
26,223	Supplies & Services	20,270	23,710	3,440
0	Other Income	0	0	0
26,223	Net Expenditure	20,270	23,710	3,440
2,613	FE20 Civic Ceremonials			
2,561	Employees	4,000	3,000	-1,000
10,429	Transport-Related Expenditure	3,400	3,490	90
15,602	Supplies & Services	6,160	5,720	-440
0	Other Income	0	0	0
15,602	Net Expenditure	13,560	12,210	-1,350
0	FE70 Democratic Representation-Recharges			
-102,277	Other Income	-120,000	-120,000	0
-102,277	Net Expenditure	-120,000	-120,000	0
52,137	FH03 Registration of Electors			
10,659	Employees	53,000	53,000	0
62,796	Supplies & Services	29,760	33,840	4,080
-1,792	Other Income	-1,500	-1,500	0
61,005	Net Expenditure	81,260	85,340	4,080

FH04	Conducting Elections			
1,889	Employees	0	0	0
16	1 Supplies & Services	40,000	180,000	140,000
1,905	Gross Expenditure	40,000	180,000	140,000
-21,280	Other Income	0	0	0
-19,375	Net Expenditure	40,000	180,000	140,000

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 MTF5 adjustment	140,000
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Administration

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	GA03 Client Side Unit			
100,711	1 Employees	91,440	97,340	5,900
0	Transport-Related Expenditure	610	610	0
816	Supplies & Services	3,170	3,400	230
101,528	Gross Expenditure	95,220	101,350	6,130
-9	Other Income	0	0	0
101,519	Net Expenditure	95,220	101,350	6,130

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	5,900
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	GA10 Procurement			
134,239	1 Employees	113,180	119,320	6,140
0	Transport-Related Expenditure	100	100	0
3,600	Supplies & Services	3,310	3,400	90
137,838	Gross Expenditure	116,590	122,820	6,230
0	Other Income	-900	-900	0
137,838	Net Expenditure	115,690	121,920	6,230

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	6,140
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	GA11 Centralised Equipment			
1,642	Supplies & Services	2,000	2,000	0
1,642	Gross Expenditure	2,000	2,000	0
0	Other Income	0	0	0
1,642	Net Expenditure	2,000	2,000	0

	GA24 Corporate Consumables - Floors 1 & 2			
3,366	Supplies & Services	3,500	3,500	0
3,366	Gross Expenditure	3,500	3,500	0
0	Other Income	0	0	0
3,366	Net Expenditure	3,500	3,500	0

	GL00 Legal Services			
363,165	1 Employees	287,710	318,750	31,040
385	Transport-Related Expenditure	700	600	-100
35,233	Supplies & Services	40,380	39,350	-1,030
398,783	Gross Expenditure	328,790	358,700	29,910
-91,909	2 Other Income	-53,700	-62,600	-8,900
306,874	Net Expenditure	275,090	296,100	21,010

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	31,040
2 Approved Budget Strategy Savings	-2,900
2 Permanent virement (budget adjustment from Growth & Savings 22-23)	-6,000

GL41	Asst Director for Governance and Law			
157,632	1 Employees	133,360	138,880	5,520
0	Transport-Related Expenditure	500	500	0
1,439	Supplies & Services	1,080	1,440	360
<u>159,071</u>	Gross Expenditure	<u>134,940</u>	<u>140,820</u>	<u>5,880</u>
0	Other Income	0	0	0
<u>159,071</u>	Net Expenditure	<u>134,940</u>	<u>140,820</u>	<u>5,880</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1	Employee Costs including Increments and Pension			5,520
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GL51	Democratic Services & Elections			
255,136	1 Employees	232,870	243,320	10,450
2,495	Premises-Related Expenditure	0	0	0
0	Transport-Related Expenditure	850	850	0
4,524	Supplies & Services	4,410	5,400	990
<u>262,155</u>	Gross Expenditure	<u>238,130</u>	<u>249,570</u>	<u>11,440</u>
0	Other Income	0	0	0
<u>262,155</u>	Net Expenditure	<u>238,130</u>	<u>249,570</u>	<u>11,440</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1	Employee Costs including Increments and Pension			10,450
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GM14	Waste Contract			
-1,868	Supplies & Services	0	0	0
<u>-1,868</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
0	Other Income	0	0	0
<u>-1,868</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>

GM34	Waste Contract Management			
204,255	1 Employees	163,530	170,500	6,970
3,364	Transport-Related Expenditure	3,700	2,900	-800
3,471	Supplies & Services	5,920	6,340	420
65,000	2 Third Party Payments	45,000	65,000	20,000
<u>276,090</u>	Gross Expenditure	<u>218,150</u>	<u>244,740</u>	<u>26,590</u>
0	Other Income	0	0	0
<u>276,090</u>	Net Expenditure	<u>218,150</u>	<u>244,740</u>	<u>26,590</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1	Employee Costs including Increments and Pension			6,970
2	Approved Budget Strategy Growth			20,000

GM37	Communications			
316,366	1 Employees	278,650	297,350	18,700
18	Transport-Related Expenditure	200	200	0
39,510	Supplies & Services	30,800	31,100	300
<u>355,894</u>	Gross Expenditure	<u>309,650</u>	<u>328,650</u>	<u>19,000</u>
-10,215	Other Income	-6,000	-6,000	0
<u>345,680</u>	Net Expenditure	<u>303,650</u>	<u>322,650</u>	<u>19,000</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1	Employee Costs including Increments and Pension			15,000
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Holding

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	FX04			
	Parliamentary Elections			
5,770	Supplies & Services	0	0	0
<u>5,770</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
-48,912	Other Income	0	0	0
<u>-43,142</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
	GX02			
	Civic Centre - Cleaning Contract			
46,976	Premises-Related Expenditure	40,880	40,880	0
<u>3,265</u>	Supplies & Services	<u>7,400</u>	<u>7,400</u>	<u>0</u>
50,241	Gross Expenditure	<u>48,280</u>	<u>48,280</u>	<u>0</u>
<u>0</u>	Other Income	0	0	0
<u>50,241</u>	Net Expenditure	<u>48,280</u>	<u>48,280</u>	<u>0</u>

**Trudi Simpson
Leadership Support Summary**

Administration

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Original to Original Variance £
165,306	GA06 Director of Corporate Services	133,640	141,170	7,530
47,765	GL05 Director of Development	3,070	200	-2,870
184,160	GM00 Director of Transition & Transformation	2,870	3,250	380
230,266	GM01 Chief Executive	184,190	187,920	3,730
191,143	GM05 Director of Place	236,860	140,960	-95,900
132,504	GM38 Leadership and PA Support	107,790	116,610	8,820
168,596	GM39 Director of Housing & Operations	335,800	150,850	-184,950
1,119,741	Administration Total	1,004,220	740,960	-263,260

**Trudi Simpson
Leadership Support Detail**

Administration

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variences £
	GA06 Director of Corporate Services			
170,251	1 Employees	147,360	154,780	7,420
126	Transport-Related Expenditure	200	200	0
2,342	Supplies & Services	1,180	1,290	110
172,718	Gross Expenditure	148,740	156,270	7,530
-7,412	Other Income	-15,100	-15,100	0
165,306	Net Expenditure	133,640	141,170	7,530

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	7,420
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	GL05 Director of Development			
185,847	1 Employees	152,000	200	-151,800
0	Transport-Related Expenditure	250	0	-250
1,903	Supplies & Services	2,620	0	-2,620
187,750	Gross Expenditure	154,870	200	-154,670
-139,985	2 Other Income	-151,800	0	151,800
47,765	Net Expenditure	3,070	200	-2,870

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Realigning of CLT (Otterpool)	-151,800
2 Removal of Otterpool recharge income	151,800

	GM00 Director of Transition & Transformation			
182,450	Employees	500	500	0
0	Transport-Related Expenditure	100	100	0
1,710	Supplies & Services	2,270	2,650	380
184,160	Gross Expenditure	2,870	3,250	380
0	Other Income	0	0	0
184,160	Net Expenditure	2,870	3,250	380

GM01	Chief Executive			
226,261	Employees	195,390	198,620	3,230
145	Transport-Related Expenditure	100	100	0
3,861	Supplies & Services	2,360	2,860	500
<u>230,266</u>	Gross Expenditure	<u>197,850</u>	<u>201,580</u>	<u>3,730</u>
0	Other Income	-13,660	-13,660	0
<u>230,266</u>	Net Expenditure	<u>184,190</u>	<u>187,920</u>	<u>3,730</u>

GM05	Director of Place			
188,921	1 Employees	250,300	154,310	-95,990
2,222	Supplies & Services	960	1,050	90
<u>191,143</u>	Gross Expenditure	<u>251,260</u>	<u>155,360</u>	<u>-95,900</u>
0	Other Income	-14,400	-14,400	0
<u>191,143</u>	Net Expenditure	<u>236,860</u>	<u>140,960</u>	<u>-95,900</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Permanent virement (GM30)	-102,000
1 Employee Costs including Increments and Pension	6,000

GM38	Leadership and PA Support			
127,817	Employees	107,640	112,530	4,890
4,687	Supplies & Services	4,090	4,080	-10
<u>132,504</u>	Gross Expenditure	<u>111,730</u>	<u>116,610</u>	<u>4,880</u>
0	Other Income	-3,940	0	3,940
<u>132,504</u>	Net Expenditure	<u>107,790</u>	<u>116,610</u>	<u>8,820</u>

GM39	Director of Housing & Operations			
170,251	1 Employees	339,620	154,310	-185,310
2,512	Supplies & Services	1,180	1,540	360
<u>172,763</u>	Gross Expenditure	<u>340,800</u>	<u>155,850</u>	<u>-184,950</u>
-4,167	Other Income	-5,000	-5,000	0
<u>168,596</u>	Net Expenditure	<u>335,800</u>	<u>150,850</u>	<u>-184,950</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Permanent virement (GM33)	-190,000
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**Ewan Green
Place Summary**

		<u>Service</u>			
2021/22		2022/23	2023/24	Original to	
Actual		Original	Original	Original	
£		Budget	Budget	Variance	
£		£	£	£	
-155,913	BE57	Miscellaneous Licensing	-154,120	-136,000	18,120
-3,015	BE58	Caravan Sites	-4,460	-4,460	0
30,285	BF53	Crime and Disorder	23,040	23,040	0
193,305	BG50	Food Safety, Health and Safety etc	186,310	194,350	8,040
14,645	BG51	Pollution Reduction	54,570	50,570	-4,000
3,760	BG52	Pest Control	10,000	7,000	-3,000
600	BG53	Unauthorised Encampments	2,000	0	-2,000
1,291,921	CE10	Household Waste Collection	1,189,920	1,322,170	132,250
204,898	CE11	Recycling and Waste	478,540	601,950	123,410
-195,584	CE20	Cemeteries	-167,660	-167,590	70
-3,411	CE25	Burials	2,000	2,000	0
70,482	CE31	Hythe Swimming Pool	107,340	12,250	-95,090
4,484	CE51	Dog Control	6,980	6,980	0
-408	CE54	Litter & Fouling Enforcement	3,500	3,500	0
-105,304	CE58	Hackney Carriage Licensing	-104,000	-104,000	0
1,249,558	CE60	Cleansing	1,340,230	1,473,640	133,410
-209,841	ED00	Otterpool - Developer	720	10,000	9,280
90,376	ED40	Members Ward Allowance	90,000	90,000	0
28,159	ED41	Community Grants	45,460	45,460	0
16,850	EE20	Sports Development Initiatives	19,850	19,850	0
150,000	EE25	Folkestone Sports Centre	150,000	150,000	0
0	ER02	Tall Ships Project	25,000	25,000	0
-139,288	FH57	Local Land Charges	-173,390	-173,020	370
2,536,560		Service Total	3,131,830	3,452,690	320,860

		<u>Administration</u>			
2021/22		2022/23	2023/24	Original to	
Actual		Original	Original	Original	
£		Budget	Budget	Variance	
£		£	£	£	
1,553,651	GA23	Case Management (Place)	1,313,440	1,341,810	28,370
140	GA56	New Romney One Stop	0	0	0
63,174	GA60	Civic Wardens	81,750	67,080	-14,670
922,692	GA62	Customer Services	839,760	822,420	-17,340
60,855	GL21	Community Safety	0	1,320	1,320
543,546	GM36	Environmental Protection	477,260	555,470	78,210
190,364	GM44	Licensing	198,930	199,220	290
249,818	GM50	Area Officers	211,990	222,930	10,940
3,584,241		Administration Total	3,123,130	3,210,250	87,120

Ewan Green
Place Detail

Service

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	BE57			
	Miscellaneous Licensing			
80	Employees	0	0	0
5,115	Premises-Related Expenditure	6,800	6,800	0
187	Transport-Related Expenditure	0	0	0
6,393	1 Supplies & Services	1,600	6,600	5,000
2,584	Third Party Payments	2,000	2,000	0
14,359	Gross Expenditure	10,400	15,400	5,000
-170,272	2 Other Income	-164,520	-151,400	13,120
-155,913	Net Expenditure	-154,120	-136,000	18,120
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Growth			5,000
	2 Approved Budget Strategy Growth			13,120
	BE58			
	Caravan Sites			
0	Gross Expenditure	0	0	0
-3,015	Other Income	-4,460	-4,460	0
-3,015	Net Expenditure	-4,460	-4,460	0
	BF53			
	Crime and Disorder			
0	Transport-Related Expenditure	1,600	1,600	0
62,205	Supplies & Services	53,330	53,330	0
62,205	Gross Expenditure	54,930	54,930	0
-31,920	Other Income	-31,890	-31,890	0
30,285	Net Expenditure	23,040	23,040	0
	BG50			
	Food Safety, Health and Safety etc			
194,221	1 Employees	183,200	192,820	9,620
3,258	Transport-Related Expenditure	4,500	2,800	-1,700
1,925	Supplies & Services	2,710	2,830	120
199,404	Gross Expenditure	190,410	198,450	8,040
-6,099	Other Income	-4,100	-4,100	0
193,305	Net Expenditure	186,310	194,350	8,040
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			9,620
	BG51			
	Pollution Reduction			
51,479	Supplies & Services	76,590	72,590	-4,000
51,479	Gross Expenditure	76,590	72,590	-4,000
-36,834	Other Income	-22,020	-22,020	0
14,645	Net Expenditure	54,570	50,570	-4,000
	BG52			
	Pest Control			
3,760	Premises-Related Expenditure	10,000	7,000	-3,000
3,760	Gross Expenditure	10,000	7,000	-3,000
0	Other Income	0	0	0
3,760	Net Expenditure	10,000	7,000	-3,000
	BG53			
	Unauthorised Encampments			
600	Supplies & Services	2,000	0	-2,000
600	Gross Expenditure	2,000	0	-2,000
0	Other Income	0	0	0
600	Net Expenditure	2,000	0	-2,000

£		£	£	£
	CE10 Household Waste Collection			
-7,069	Premises-Related Expenditure	0	0	0
178,068	Supplies & Services	133,630	133,690	60
<u>1,282,200</u>	1 Third Party Payments	<u>1,375,970</u>	<u>1,513,560</u>	<u>137,590</u>
1,453,199	Gross Expenditure	<u>1,509,600</u>	<u>1,647,250</u>	<u>137,650</u>
-161,278	2 Other Income	-319,680	-325,080	-5,400
<u>1,291,921</u>	Net Expenditure	<u>1,189,920</u>	<u>1,322,170</u>	<u>132,250</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Change in Outsourced Contract Recharges			137,590
	2 Approved Fees & Charges			-10,500
	2 Approved Budget Strategy Growth			5,100
	CE11 Recycling and Waste			
23,055	Supplies & Services	23,870	24,700	830
<u>1,617,496</u>	1 Third Party Payments	<u>1,735,780</u>	<u>1,909,360</u>	<u>173,580</u>
1,640,551	Gross Expenditure	<u>1,759,650</u>	<u>1,934,060</u>	<u>174,410</u>
-1,435,654	2 Other Income	-1,281,110	-1,332,110	-51,000
<u>204,898</u>	Net Expenditure	<u>478,540</u>	<u>601,950</u>	<u>123,410</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Change in Outsourced Contract Recharges			173,580
	2 Permanent virement (budget adjustment from Growth & Savings 22-23)			-40,000
	2 Approved Fees & Charges			-11,000
	CE20 Cemeteries			
242	Supplies & Services	310	380	70
<u>242</u>	Gross Expenditure	<u>310</u>	<u>380</u>	<u>70</u>
-195,826	Other Income	-167,970	-167,970	0
<u>-195,584</u>	Net Expenditure	<u>-167,660</u>	<u>-167,590</u>	<u>70</u>
	CE25 Burials			
12,814	Supplies & Services	3,000	3,000	0
<u>12,814</u>	Gross Expenditure	<u>3,000</u>	<u>3,000</u>	<u>0</u>
-16,225	Other Income	-1,000	-1,000	0
<u>-3,411</u>	Net Expenditure	<u>2,000</u>	<u>2,000</u>	<u>0</u>
	CE31 Hythe Swimming Pool			
286,724	1 Employees	242,840	259,150	16,310
16	Transport-Related Expenditure	0	0	0
<u>28,835</u>	Supplies & Services	<u>44,140</u>	<u>39,250</u>	<u>-4,890</u>
315,574	Gross Expenditure	<u>286,980</u>	<u>298,400</u>	<u>11,420</u>
-245,092	2 Other Income	-179,640	-286,150	-106,510
<u>70,482</u>	Net Expenditure	<u>107,340</u>	<u>12,250</u>	<u>-95,090</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			16,310
	2 Approved Budget Strategy Savings			-106,510
	CE51 Dog Control			
3,096	Transport-Related Expenditure	1,820	1,820	0
<u>1,968</u>	Supplies & Services	<u>10,060</u>	<u>10,060</u>	<u>0</u>
5,064	Gross Expenditure	<u>11,880</u>	<u>11,880</u>	<u>0</u>
-580	Other Income	-4,900	-4,900	0
<u>4,484</u>	Net Expenditure	<u>6,980</u>	<u>6,980</u>	<u>0</u>
	CE54 Litter & Fouling Enforcement			
6,312	Supplies & Services	7,500	7,500	0
<u>6,312</u>	Gross Expenditure	<u>7,500</u>	<u>7,500</u>	<u>0</u>
-6,720	Other Income	-4,000	-4,000	0
<u>-408</u>	Net Expenditure	<u>3,500</u>	<u>3,500</u>	<u>0</u>

CE58	Hackney Carriage Licensing			
19,789	Supplies & Services	21,870	21,870	0
19,789	Gross Expenditure	21,870	21,870	0
-125,093	Other Income	-125,870	-125,870	0
-105,304	Net Expenditure	-104,000	-104,000	0
CE60	Cleansing			
16,160	Supplies & Services	17,000	17,000	0
1,265,150	1 Third Party Payments	1,334,080	1,467,490	133,410
1,281,310	Gross Expenditure	1,351,080	1,484,490	133,410
-31,752	Other Income	-10,850	-10,850	0
1,249,558	Net Expenditure	1,340,230	1,473,640	133,410
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Change in Outsourced Contract Recharges			133,410
ED00	Otterpool - Developer			
315,654	1 Employees	255,230	0	-255,230
38,888	2 Supplies & Services	690	10,000	9,310
354,542	Gross Expenditure	255,920	10,000	-245,920
-564,383	3 Other Income	-255,200	0	255,200
-209,841	Net Expenditure	720	10,000	9,280
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Budget re-alignment			-255,230
	2 Approved Budget Strategy Growth			10,000
	3 Removal of Otterpool recharge income			255,200
ED40	Members Ward Allowance			
90,376	Supplies & Services	90,000	90,000	0
90,376	Gross Expenditure	90,000	90,000	0
0	Other Income	0	0	0
90,376	Net Expenditure	90,000	90,000	0
ED41	Community Grants			
54,929	Supplies & Services	45,460	45,460	0
54,929	Gross Expenditure	45,460	45,460	0
-26,770	Other Income	0	0	0
28,159	Net Expenditure	45,460	45,460	0
EE20	Sports Development Initiatives			
24,050	Supplies & Services	19,850	19,850	0
24,050	Gross Expenditure	19,850	19,850	0
-7,200	Other Income	0	0	0
16,850	Net Expenditure	19,850	19,850	0
EE25	Folkestone Sports Centre			
150,000	Supplies & Services	150,000	150,000	0
150,000	Gross Expenditure	150,000	150,000	0
0	Other Income	0	0	0
150,000	Net Expenditure	150,000	150,000	0
ER02	Tall Ships Project			
0	Supplies & Services	25,000	25,000	0
0	Gross Expenditure	25,000	25,000	0
0	Other Income	0	0	0
0	Net Expenditure	25,000	25,000	0
FH57	Local Land Charges			
33,176	Supplies & Services	43,210	43,580	370
33,176	Gross Expenditure	43,210	43,580	370
-172,463	Other Income	-216,600	-216,600	0
-139,288	Net Expenditure	-173,390	-173,020	370

Administration

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	GA23 Case Management (Place)			
1,536,536	1 Employees	1,301,060	1,323,830	22,770
2,571	Transport-Related Expenditure	3,000	2,000	-1,000
14,543	2 Supplies & Services	9,460	15,980	6,520
1,553,651	Gross Expenditure	1,313,520	1,341,810	28,290
0	Other Income	-80	0	80
1,553,651	Net Expenditure	1,313,440	1,341,810	28,370

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Permanent virement (GA09)	-32,000
1 Employee Costs including Increments and Pension	56,000
2 Adjustment to Centrally Determined Costs	6,520

	GA56 New Romney One Stop			
140	Supplies & Services	0	0	0
140	Gross Expenditure	0	0	0
0	Other Income	0	0	0
140	Net Expenditure	0	0	0

	GA60 Civic Wardens			
58,097	1 Employees	73,300	59,520	-13,780
66	Transport-Related Expenditure	50	50	0
5,199	Supplies & Services	8,400	7,510	-890
63,362	Gross Expenditure	81,750	67,080	-14,670
-188	Other Income	0	0	0
63,174	Net Expenditure	81,750	67,080	-14,670

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Approved Budget Strategy Savings	-12,000
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	GA62 Customer Services			
889,486	1 Employees	791,060	800,060	9,000
0	Transport-Related Expenditure	300	300	0
17,394	Supplies & Services	20,900	22,060	1,160
15,813	2 Third Party Payments	27,500	0	-27,500
922,692	Gross Expenditure	839,760	822,420	-17,340
0	Other Income	0	0	0
922,692	Net Expenditure	839,760	822,420	-17,340

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	9,000
2 Permanent virement (FD15)	-27,500

	GL21 Community Safety			
59,097	Employees	0	0	0
635	Transport-Related Expenditure	0	700	700
1,122	Supplies & Services	0	620	620
60,855	Gross Expenditure	0	1,320	1,320
0	Other Income	0	0	0
60,855	Net Expenditure	0	1,320	1,320

	GM36 Environmental Protection			
520,109	1 Employees	456,870	532,720	75,850
4,545	Transport-Related Expenditure	5,850	4,500	-1,350
19,144	Supplies & Services	14,610	18,320	3,710
543,798	Gross Expenditure	477,330	555,540	78,210
-252	Other Income	-70	-70	0
543,546	Net Expenditure	477,260	555,470	78,210

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	35,000
1 Permanent virement (budget adjustment from Growth & Savings 22-23)	34,600

GM44	Licensing			
184,487	Employees	193,770	194,880	1,110
4,557	Transport-Related Expenditure	4,000	2,900	-1,100
1,320	Supplies & Services	1,160	1,440	280
<u>190,364</u>	Gross Expenditure	<u>198,930</u>	<u>199,220</u>	<u>290</u>
0	Other Income	0	0	0
<u>190,364</u>	Net Expenditure	<u>198,930</u>	<u>199,220</u>	<u>290</u>

GM50	Area Officers			
221,371	1 Employees	186,510	197,230	10,720
21,513	Transport-Related Expenditure	18,840	18,570	-270
6,934	Supplies & Services	6,640	7,130	490
<u>249,818</u>	Gross Expenditure	<u>211,990</u>	<u>222,930</u>	<u>10,940</u>
0	Other Income	0	0	0
<u>249,818</u>	Net Expenditure	<u>211,990</u>	<u>222,930</u>	<u>10,940</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	10,720
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**Rod Lean
Economic Development Summary**

		<u>Service</u>		
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Original to Original Variance £
595,236	ED10	99,480	96,650	-2,830
25,456	ED12	41,760	46,730	4,970
233,584	ED14	420,250	370	-419,880
2,506	ED16	-9,790	-5,320	4,470
-11,545	ED17	0	0	0
0	ED18	0	0	0
18,300	ED19	0	0	0
-8,772	ED54	0	0	0
4,900	ED55	0	0	0
31,044	EE23	0	60	60
40,355	ES05	40,360	40,360	0
931,064	Service Total	592,060	178,850	-413,210

		<u>Administration</u>		
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Original to Original Variance £
212,861	GM30	169,970	301,020	131,050
212,861	Administration Total	169,970	301,020	131,050

**Rod Lean
Economic Development Detail**

		<u>Service</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Variances
	ED10			
	Regen & Economic Development			
188,144	1 Supplies & Services	99,480	270,650	171,170
472,608	Third Party Payments	0	0	0
660,752	Gross Expenditure	99,480	270,650	171,170
-65,515	2 Other Income	0	-174,000	-174,000
595,236	Net Expenditure	99,480	96,650	-2,830

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 UK Shared Prosperity Fund - Cabinet C/22/25 - expenditure	174,000
2 UK Shared Prosperity Fund - Cabinet C/22/25 - income	-174,000

	ED12			
	Rural Regeneration Initiatives			
36,574	1 Employees	50,050	55,500	5,450
0	Transport-Related Expenditure	500	0	-500
21,412	Supplies & Services	11,210	11,230	20
57,986	Gross Expenditure	61,760	66,730	4,970
-32,530	Other Income	-20,000	-20,000	0
25,456	Net Expenditure	41,760	46,730	4,970

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	5,000
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ED14	High Street Innovation Fund			
39,938	1 Employees	32,640	0	-32,640
213,646	2 Supplies & Services	387,610	370	-387,240
<u>253,584</u>	Gross Expenditure	<u>420,250</u>	<u>370</u>	<u>-419,880</u>
-20,000	Other Income	0	0	0
<u>233,584</u>	Net Expenditure	<u>420,250</u>	<u>370</u>	<u>-419,880</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Approved Budget Strategy Savings	-32,640
2 MTFS adjustment	-387,530

ED16	Folkestone CLLD			
82,783	Employees	70,150	74,470	4,320
803	Supplies & Services	5,650	5,800	150
<u>83,586</u>	Gross Expenditure	<u>75,800</u>	<u>80,270</u>	<u>4,470</u>
-81,080	Other Income	-85,590	-85,590	0
<u>2,506</u>	Net Expenditure	<u>-9,790</u>	<u>-5,320</u>	<u>4,470</u>

ED17	CLLD ESF Projects			
1,160	Supplies & Services	0	0	0
<u>1,160</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
-12,704	Other Income	0	0	0
<u>-11,545</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>

ED18	CLLD ERDF Projects			
70,815	Supplies & Services	0	0	0
<u>70,815</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
-70,815	Other Income	0	0	0
<u>0</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>

ED19	Re-Opening High Streets Safely			
30,175	Employees	0	0	0
16,829	Premises-Related Expenditure	0	0	0
<u>203,273</u>	Supplies & Services	<u>0</u>	<u>0</u>	<u>0</u>
250,277	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
-231,977	Other Income	0	0	0
<u>18,300</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>

ED54	Corporate Investment Initiatives			
56,140	Employees	0	0	0
60,088	Supplies & Services	0	0	0
<u>116,228</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
-125,000	Other Income	0	0	0
<u>-8,772</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>

ED55	Town Centre Regeneration Initiatives			
4,900	Supplies & Services	0	0	0
<u>4,900</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
0	Other Income	0	0	0
<u>4,900</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>

EE23	Folkestone Airshow			
3,050	Employees	0	0	0
36,116	Supplies & Services	0	60	60
<u>39,166</u>	Gross Expenditure	<u>0</u>	<u>60</u>	<u>60</u>
-8,122	Other Income	0	0	0
<u>31,044</u>	Net Expenditure	<u>0</u>	<u>60</u>	<u>60</u>

ES05	Environmental Initiatives			
40,360	Supplies & Services	40,360	40,360	0
40,360	Gross Expenditure	40,360	40,360	0
-5	Other Income	0	0	0
40,355	Net Expenditure	40,360	40,360	0

Administration

2021/22		2022/23	2023/24	
Actual		Original	Original	Variances
£		Budget	Budget	£
		£	£	£
GM30	Regeneration & Economic Development			
227,517	1 Employees	165,750	297,640	131,890
1,239	Transport-Related Expenditure	2,500	1,500	-1,000
1,821	Supplies & Services	1,720	1,880	160
230,578	Gross Expenditure	169,970	301,020	131,050
-17,717	Other Income	0	0	0
212,861	Net Expenditure	169,970	301,020	131,050

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Permanent virement (GM05)	102,000
2 Employee Costs including Increments and Pension	25,000

**Llywelyn Lloyd
Planning Summary**

		<u>Service</u>		Original to Original Variance £
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	
-286,773	DA10 Building Control	-291,660	-291,660	0
-894,013	DA11 Development Control	-942,790	-955,890	-13,100
-1,180,786	Service Total	-1,234,450	-1,247,550	-13,100

		<u>Administration</u>		Original to Original Variance £
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	
1,291,861	GM20 Development Management	1,094,750	1,142,910	48,160
299,578	GM21 Building Control	276,720	270,040	-6,680
1,591,439	Administration Total	1,371,470	1,412,950	41,480

**Llywelyn Lloyd
Planning Detail**

		<u>Service</u>		Original to Original Variance £
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	
	DA10 Building Control			
2,004	Supplies & Services	1,680	1,680	0
2,004	Gross Expenditure	1,680	1,680	0
-288,777	Other Income	-293,340	-293,340	0
-286,773	Net Expenditure	-291,660	-291,660	0
	DA11 Development Control			
87,666	Supplies & Services	109,210	109,210	0
87,666	Gross Expenditure	109,210	109,210	0
-981,680	¹ Other Income	-1,052,000	-1,065,100	-13,100
-894,013	Net Expenditure	-942,790	-955,890	-13,100

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

¹ Permanent virement (budget adjustment from Growth & Savings 22-23)	-13,100
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Administration

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	GM20 Development Management			
1,173,027	1 Employees	1,061,120	1,109,870	48,750
7,439	Transport-Related Expenditure	9,920	5,920	-4,000
126,941	Supplies & Services	31,250	34,660	3,410
<u>1,307,408</u>	Gross Expenditure	<u>1,102,290</u>	<u>1,150,450</u>	<u>48,160</u>
-15,547	Other Income	-7,540	-7,540	0
<u>1,291,861</u>	Net Expenditure	<u>1,094,750</u>	<u>1,142,910</u>	<u>48,160</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			48,750
	GM21 Building Control			
266,120	Employees	264,460	256,180	-8,280
3,941	Transport-Related Expenditure	3,300	4,000	700
29,650	Supplies & Services	10,060	10,860	800
<u>299,711</u>	Gross Expenditure	<u>277,820</u>	<u>271,040</u>	<u>-6,780</u>
-133	Other Income	-1,100	-1,000	100
<u>299,578</u>	Net Expenditure	<u>276,720</u>	<u>270,040</u>	<u>-6,680</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Budget re-alignment			-12,000

**Andy Blaszkowicz
Operations Summary**

		<u>Service</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
1,199	CE02 Street Furniture	12,000	10,000	-2,000
4,640	CE03 Passenger Shelters	8,570	7,080	-1,490
81,581	CE04 Street Lighting	156,500	156,500	0
-40,001	CE30 Outdoor Sports and Recreation	-27,220	-27,220	0
	CE33/			
-12,914	CE34 RMC-Ecology&Habitat MTCE(HLF)	-12,370	-16,820	-4,450
0	CE36 Royal Military Canal Drainage Functions	5,440	5,440	0
17,160	CE37 RMC - Bridge Painting	22,480	22,480	0
823,554	CE38 Community Parks & Open Spaces	852,390	878,990	26,600
-1,187,512	CE40 Off-Street Parking	-1,198,430	-1,301,790	-103,360
-348,928	CE45 On-Street Parking Enforcement	-335,850	-349,380	-13,530
39,915	CE52 Public Conveniences	35,450	31,000	-4,450
-6,753	CE55 Communities - Events	0	-400	-400
33,216	CE99 Other Environmental Services	34,100	34,100	0
-195,396	CG80 Coast Protection	-166,320	-159,520	6,800
-1,757	EA11 Leas Bandstand	3,210	3,200	-10
-6,658	EA12 Hythe Beach Chalets	-7,980	-7,980	0
-11,700	EB02 Mountfield Industrial Estate	-91,030	-104,730	-13,700
12,000	ED50 Strategic Projects	30,000	30,000	0
15,439	FH25 Emergency Planning	18,600	18,600	0
57,575	HH51 Lifeline Facilities	-159,660	7,640	167,300
-725,340	Service Total	-820,120	-762,810	57,310

		<u>Administration</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
224,098	GM18 Maintenance Officers	234,930	252,350	17,420
145,719	GM23 Parking Services	123,870	129,330	5,460
442,820	GM31 Engineering and Buildings	382,690	408,170	25,480
213,371	GM32 Estates and Assets	209,260	232,090	22,830
54,832	GM33 Strategic Development	0	431,960	431,960
22,339	GM40 Strategic Development Projects	8,950	0	-8,950
-471	GM48 Land Owner Projects	0	0	0
1,102,709	Administration Total	959,700	1,453,900	494,200

Holding

2021/22		2022/23	2023/24	Original to
Actual		Original	Original	Original
£		Budget	Budget	Variance
		£	£	£
1,720,460	GE01	1,473,750	1,596,340	122,590
239,984	GE05	225,780	233,960	8,180
82,759	GE06	83,750	85,580	1,830
137,741	GE07	170,140	152,130	-18,010
15,770	GE08	4,730	6,720	1,990
-2,148	GE10	0	0	0
150,823	GX00	178,660	228,360	49,700
94	GX01	0	0	0
64,076	GX10	79,400	83,110	3,710
22,464	GX20	1,410	3,440	2,030
6,617	GX21	6,110	6,130	20
78	GX22	80	90	10
508	GX23	2,460	2,600	140
46,329	GX24	27,820	29,870	2,050
24,046	GX25	43,560	47,410	3,850
110,051	GX27	149,020	196,620	47,600
233,135	GX30	216,790	223,200	6,410
75,557	GX40	91,000	77,400	-13,600
56,635	GX50	55,070	59,500	4,430
-245,295	GX53	-339,380	-337,120	2,260
856	GX54	400	440	40
81	GX60	2,910	2,910	0
43,187	GX65	152,250	212,500	60,250
-27,317	GX80	-78,420	-77,200	1,220
-23,000	GX81	-1,176,980	-1,174,900	2,080
-2,786	GX82	0	0	0
4,900	GX83	15,000	14,350	-650
58,074	GX84	0	0	0
0	GX89	100	100	0
<u>2,793,678</u>	Holding Total	<u>1,385,410</u>	<u>1,673,540</u>	<u>288,130</u>

**Andy Blaszkowicz
Operations Detail**

		<u>Service</u>		
2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	CE02 Street Furniture			
1,199	Supplies & Services	12,000	10,000	-2,000
1,199	Gross Expenditure	12,000	10,000	-2,000
0	Other Income	0	0	0
1,199	Net Expenditure	12,000	10,000	-2,000
	CE03 Passenger Shelters			
4,640	Premises-Related Expenditure	8,570	7,080	-1,490
4,640	Gross Expenditure	8,570	7,080	-1,490
0	Other Income	0	0	0
4,640	Net Expenditure	8,570	7,080	-1,490
	CE04 Street Lighting			
44,593	Premises-Related Expenditure	56,500	56,500	0
36,988	Supplies & Services	100,000	100,000	0
81,581	Gross Expenditure	156,500	156,500	0
0	Other Income	0	0	0
81,581	Net Expenditure	156,500	156,500	0
	CE30 Outdoor Sports and Recreation			
0	Supplies & Services	7,500	7,500	0
0	Gross Expenditure	7,500	7,500	0
-40,001	Other Income	-34,720	-34,720	0
-40,001	Net Expenditure	-27,220	-27,220	0
	CE33/ CE34 RMC-Ecology&Habitat MTCE(HLF)			
240	Employees	240	240	0
5,578	Supplies & Services	550	600	50
5,818	Gross Expenditure	790	840	50
-18,732	Other Income	-13,160	-17,660	-4,500
-12,914	Net Expenditure	-12,370	-16,820	-4,450
	CE36 Royal Military Canal Drainage Functions			
0	Premises-Related Expenditure	5,440	5,440	0
0	Gross Expenditure	5,440	5,440	0
0	Other Income	0	0	0
0	Net Expenditure	5,440	5,440	0
	CE37 RMC - Bridge Painting			
17,160	Premises-Related Expenditure	22,480	22,480	0
17,160	Gross Expenditure	22,480	22,480	0
0	Other Income	0	0	0
17,160	Net Expenditure	22,480	22,480	0

CE38 Community Parks & Open Spaces				
526,187	Supplies & Services	532,250	529,860	-2,390
270,110	1 Third Party Payments	289,850	318,840	28,990
52,200	Contributions to Provisions	52,200	52,200	0
<u>848,497</u>	Gross Expenditure	<u>874,300</u>	<u>900,900</u>	<u>26,600</u>
-24,943	Other Income	-21,910	-21,910	0
<u>823,554</u>	Net Expenditure	<u>852,390</u>	<u>878,990</u>	<u>26,600</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Change in Outsourced Contract Recharges	28,990
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CE40 Off-Street Parking				
163,138	Premises-Related Expenditure	95,070	95,070	0
85,792	1 Supplies & Services	74,130	86,550	12,420
<u>103,549</u>	2 Third Party Payments	<u>108,330</u>	<u>118,650</u>	<u>10,320</u>
352,479	Gross Expenditure	<u>277,530</u>	<u>300,270</u>	<u>22,740</u>
-1,539,992	3 Other Income	-1,475,960	-1,602,060	-126,100
<u>-1,187,512</u>	Net Expenditure	<u>-1,198,430</u>	<u>-1,301,790</u>	<u>-103,360</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Permanent virement (From GM19)	6,750
1 Approved Budget Strategy Savings	5,330
2 Change in Outsourced Contract Recharges	10,320
3 Approved Fees & Charges	-126,100

CE45 On-Street Parking Enforcement				
49,376	Premises-Related Expenditure	38,500	38,500	0
137,212	1 Supplies & Services	94,510	111,020	16,510
<u>325,556</u>	2 Third Party Payments	<u>338,110</u>	<u>369,900</u>	<u>31,790</u>
512,144	Gross Expenditure	<u>471,120</u>	<u>519,420</u>	<u>48,300</u>
-861,072	3 Other Income	-806,970	-868,800	-61,830
<u>-348,928</u>	Net Expenditure	<u>-335,850</u>	<u>-349,380</u>	<u>-13,530</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Permanent virement (From GM19)	15,750
1 Approved Budget Strategy Growth	550
2 Change in Outsourced Contract Recharges	31,790
3 Approved Fees & Charges	-38,052
3 Approved Budget Strategy Savings	-23,870

CE52 Public Conveniences				
45,102	Supplies & Services	44,200	44,200	0
<u>45,102</u>	Gross Expenditure	<u>44,200</u>	<u>44,200</u>	<u>0</u>
-5,187	Other Income	-8,750	-13,200	-4,450
<u>39,915</u>	Net Expenditure	<u>35,450</u>	<u>31,000</u>	<u>-4,450</u>

CE55 Communities - Events				
0	Gross Expenditure	0	0	0
-6,753	Other Income	0	-400	-400
<u>-6,753</u>	Net Expenditure	<u>0</u>	<u>-400</u>	<u>-400</u>

CE99	Other Environmental Services			
1,199	Employees	0	0	0
277	Premises-Related Expenditure	0	0	0
-2	Transport-Related Expenditure	100	100	0
<u>31,742</u>	Supplies & Services	<u>34,000</u>	<u>34,000</u>	<u>0</u>
<u>33,216</u>	Gross Expenditure	<u>34,100</u>	<u>34,100</u>	<u>0</u>
0	Other Income	0	0	0
<u>33,216</u>	Net Expenditure	<u>34,100</u>	<u>34,100</u>	<u>0</u>
CG80	Coast Protection			
48,149	Premises-Related Expenditure	53,810	53,810	0
395	Supplies & Services	2,820	2,820	0
<u>4,609</u>	Third Party Payments	<u>19,000</u>	<u>19,000</u>	<u>0</u>
<u>53,153</u>	Gross Expenditure	<u>75,630</u>	<u>75,630</u>	<u>0</u>
-248,549	1 Other Income	-241,950	-235,150	6,800
<u>-195,396</u>	Net Expenditure	<u>-166,320</u>	<u>-159,520</u>	<u>6,800</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Growth			6,800
EA11	Leas Bandstand			
<u>4,243</u>	Supplies & Services	<u>9,210</u>	<u>9,200</u>	<u>-10</u>
<u>4,243</u>	Gross Expenditure	<u>9,210</u>	<u>9,200</u>	<u>-10</u>
-6,000	Other Income	-6,000	-6,000	0
<u>-1,757</u>	Net Expenditure	<u>3,210</u>	<u>3,200</u>	<u>-10</u>
EA12	Hythe Beach Chalets			
<u>0</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
-6,658	Other Income	-7,980	-7,980	0
<u>-6,658</u>	Net Expenditure	<u>-7,980</u>	<u>-7,980</u>	<u>0</u>
EB02	Mountfield Industrial Estate			
<u>0</u>	Gross Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
-11,700	1 Other Income	-91,030	-104,730	-13,700
<u>-11,700</u>	Net Expenditure	<u>-91,030</u>	<u>-104,730</u>	<u>-13,700</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Savings			-13,700
ED50	Strategic Projects			
<u>12,000</u>	Supplies & Services	<u>30,000</u>	<u>30,000</u>	<u>0</u>
<u>12,000</u>	Gross Expenditure	<u>30,000</u>	<u>30,000</u>	<u>0</u>
0	Other Income	0	0	0
<u>12,000</u>	Net Expenditure	<u>30,000</u>	<u>30,000</u>	<u>0</u>
FH25	Emergency Planning			
<u>15,439</u>	Supplies & Services	<u>18,600</u>	<u>18,600</u>	<u>0</u>
<u>15,439</u>	Gross Expenditure	<u>18,600</u>	<u>18,600</u>	<u>0</u>
0	Other Income	0	0	0
<u>15,439</u>	Net Expenditure	<u>18,600</u>	<u>18,600</u>	<u>0</u>
HH51	Lifeline Facilities			
747,944	1 Employees	651,240	728,470	77,230
11,903	Transport-Related Expenditure	10,640	12,030	1,390
<u>138,259</u>	2 Supplies & Services	<u>126,020</u>	<u>111,140</u>	<u>-14,880</u>
<u>898,107</u>	Gross Expenditure	<u>787,900</u>	<u>851,640</u>	<u>63,740</u>
-840,532	3 Other Income	-947,560	-844,000	103,560
<u>57,575</u>	Net Expenditure	<u>-159,660</u>	<u>7,640</u>	<u>167,300</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			77,230
	2 Approved Budget Strategy Savings			-19,000
	2 Contract Inflation			2,300
	3 Approved Budget Strategy Growth			103,560

Administration

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	GM18 Maintenance Officers			
228,589	1 Employees	193,290	207,140	13,850
4	Premises-Related Expenditure	0	0	0
18,766	Transport-Related Expenditure	11,960	12,170	210
70,484	Supplies & Services	89,490	92,850	3,360
317,843	Gross Expenditure	294,740	312,160	17,420
-93,745	Other Income	-59,810	-59,810	0
224,098	Net Expenditure	234,930	252,350	17,420
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			13,850
	GM23 Parking Services			
136,949	1 Employees	116,270	121,210	4,940
1,052	Transport-Related Expenditure	1,150	650	-500
7,719	Supplies & Services	6,450	7,470	1,020
145,719	Gross Expenditure	123,870	129,330	5,460
0	Other Income	0	0	0
145,719	Net Expenditure	123,870	129,330	5,460
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			4,940
	GM31 Engineering and Buildings			
414,775	1 Employees	361,320	386,690	25,370
6,220	Transport-Related Expenditure	5,300	3,800	-1,500
21,825	Supplies & Services	16,070	17,680	1,610
442,820	Gross Expenditure	382,690	408,170	25,480
0	Other Income	0	0	0
442,820	Net Expenditure	382,690	408,170	25,480
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			20,000
	GM32 Estates and Assets			
202,530	1 Employees	214,520	228,110	13,590
2,838	Transport-Related Expenditure	3,300	2,100	-1,200
8,003	Supplies & Services	1,440	1,880	440
213,371	Gross Expenditure	219,260	232,090	12,830
0	2 Other Income	-10,000	0	10,000
213,371	Net Expenditure	209,260	232,090	22,830
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Pension			13,590
	2 Removal of Otterpool recharge income			10,000
	GM33 Strategic Development			
53,323	1 Employees	0	423,310	423,310
1,509	Supplies & Services	0	8,650	8,650
54,832	Gross Expenditure	0	431,960	431,960
0	Other Income	0	0	0
54,832	Net Expenditure	0	431,960	431,960
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Permanent virement (GM39)			190,000
	1 Permanent virement (GH02)			214,000

GM40 Strategic Development Projects				
168,804	1 Employees	137,900	0	-137,900
1,526	Supplies & Services	1,250	0	-1,250
170,330	Gross Expenditure	139,150	0	-139,150
-147,991	2 Other Income	-130,200	0	130,200
22,339	Net Expenditure	8,950	0	-8,950

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Budget re-alignment	-131,000
2 Removal of Otterpool recharge income	130,200

GM48 Land Owner Projects				
-471	Employees	0	0	0
-471	Gross Expenditure	0	0	0
0	Other Income	0	0	0
-471	Net Expenditure	0	0	0

Holding

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
GE01 Grounds Maintenance				
1,540,059	1 Employees	1,302,030	1,379,180	77,150
71,959	2 Premises-Related Expenditure	65,780	75,780	10,000
157,930	3 Transport-Related Expenditure	137,710	163,530	25,820
169,043	4 Supplies & Services	174,130	183,750	9,620
1,938,992	Gross Expenditure	1,679,650	1,802,240	122,590
-218,532	Other Income	-205,900	-205,900	0
1,720,460	Net Expenditure	1,473,750	1,596,340	122,590

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	79,000
2 Approved Budget Strategy Growth	10,000
3 Approved Budget Strategy Growth	20,000
4 Approved Budget Strategy Growth	5,000

GE05 Charity Areas				
220,919	1 Employees	206,650	214,990	8,340
7,912	Transport-Related Expenditure	7,710	7,710	0
11,154	Supplies & Services	11,420	11,260	-160
239,984	Gross Expenditure	225,780	233,960	8,180
0	Other Income	0	0	0
239,984	Net Expenditure	225,780	233,960	8,180

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	8,300
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GE06 Royal Military Canal				
47,780	Employees	60,990	62,630	1,640
1,665	Premises-Related Expenditure	5,000	5,000	0
6,090	Transport-Related Expenditure	4,550	4,550	0
27,224	Supplies & Services	13,210	13,400	190
82,759	Gross Expenditure	83,750	85,580	1,830
0	Other Income	0	0	0
82,759	Net Expenditure	83,750	85,580	1,830

GE07	Toilet Cleaning			
98,611	1 Employees	107,540	113,800	6,260
21,869	Premises-Related Expenditure	17,250	17,250	0
8,846	Transport-Related Expenditure	9,130	9,340	210
14,615	2 Supplies & Services	36,220	18,240	-17,980
143,941	Gross Expenditure	170,140	158,630	-11,510
-6,200	3 Other Income	0	-6,500	-6,500
137,741	Net Expenditure	170,140	152,130	-18,010

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 Employee Costs including Increments and Pension	6,200
2 Approved Budget Strategy Savings	-16,000
3 Approved Budget Strategy Savings	-6,500

GE08	Pump Maintenance Crew			
50,602	Employees	43,350	45,160	1,810
5,700	Transport-Related Expenditure	11,190	11,300	110
40,230	Supplies & Services	42,790	42,860	70
96,532	Gross Expenditure	97,330	99,320	1,990
-80,761	Other Income	-92,600	-92,600	0
15,770	Net Expenditure	4,730	6,720	1,990

GE10	Diesel - Fuel Tank Ross Depot			
-2,148	Transport-Related Expenditure	0	0	0
-2,148	Gross Expenditure	0	0	0
0	Other Income	0	0	0
-2,148	Net Expenditure	0	0	0

GX00	Civic Centre			
246,576	1 Premises-Related Expenditure	286,130	352,530	66,400
35,203	Supplies & Services	1,070	1,170	100
5,631	Third Party Payments	3,460	3,460	0
287,410	Gross Expenditure	290,660	357,160	66,500
-136,587	2 Other Income	-112,000	-128,800	-16,800
150,823	Net Expenditure	178,660	228,360	49,700

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1 MTFS adjustment	70,000
2 Approved Budget Strategy Savings	-16,800

GX01	3/5 Shorncliffe Road			
94	Supplies & Services	0	0	0
94	Gross Expenditure	0	0	0
0	Other Income	0	0	0
94	Net Expenditure	0	0	0

GX10	Public Toilets			
64,076	Premises-Related Expenditure	79,400	83,110	3,710
64,076	Gross Expenditure	79,400	83,110	3,710
0	Other Income	0	0	0
64,076	Net Expenditure	79,400	83,110	3,710

GX20	Parks & Open Spaces Buildings			
27,868	Premises-Related Expenditure	13,280	15,300	2,020
513	Supplies & Services	130	140	10
28,381	Gross Expenditure	13,410	15,440	2,030
-5,917	Other Income	-12,000	-12,000	0
22,464	Net Expenditure	1,410	3,440	2,030

GX21	Royal Military Canal Buildings			
23,616	Premises-Related Expenditure	6,110	6,130	20
23,616	Gross Expenditure	6,110	6,130	20
-16,999	Other Income	0	0	0
6,617	Net Expenditure	6,110	6,130	20

GX22	Hythe Beach Huts			
78	Premises-Related Expenditure	80	90	10
78	Gross Expenditure	80	90	10
0	Other Income	0	0	0
78	Net Expenditure	80	90	10
GX23	Bandstand			
508	Premises-Related Expenditure	2,460	2,600	140
508	Gross Expenditure	2,460	2,600	140
0	Other Income	0	0	0
508	Net Expenditure	2,460	2,600	140
GX24	Sports & Recreation Buildings			
46,329	Premises-Related Expenditure	27,790	29,840	2,050
46,329	Gross Expenditure	27,790	29,840	2,050
0	Other Income	30	30	0
46,329	Net Expenditure	27,820	29,870	2,050
GX25	Charity Parks & Open Spaces			
23,546	Premises-Related Expenditure	43,560	46,910	3,350
500	Supplies & Services	0	500	500
24,046	Gross Expenditure	43,560	47,410	3,850
0	Other Income	0	0	0
24,046	Net Expenditure	43,560	47,410	3,850
GX27	Hythe Swimming Pool			
110,051	1 Premises-Related Expenditure	149,020	196,620	47,600
110,051	Gross Expenditure	149,020	196,620	47,600
0	Other Income	0	0	0
110,051	Net Expenditure	149,020	196,620	47,600
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 MTFS adjustment			51,700
GX30	Car Parks			
235,130	1 Premises-Related Expenditure	216,640	222,700	6,060
500	Supplies & Services	150	500	350
235,630	Gross Expenditure	216,790	223,200	6,410
-2,495	Other Income	0	0	0
233,135	Net Expenditure	216,790	223,200	6,410
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 MTFS adjustment			8,000
GX40	Prog Planned Maintenance			
75,557	1 Premises-Related Expenditure	91,000	77,400	-13,600
75,557	Gross Expenditure	91,000	77,400	-13,600
0	Other Income	0	0	0
75,557	Net Expenditure	91,000	77,400	-13,600
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Savings			-13,600
GX50	Depots & Cemetery Buildings			
58,446	Premises-Related Expenditure	54,670	58,700	4,030
190	Supplies & Services	400	800	400
58,635	Gross Expenditure	55,070	59,500	4,430
-2,000	Other Income	0	0	0
56,635	Net Expenditure	55,070	59,500	4,430

GX53	Misc Corporate Property			
34,423	Premises-Related Expenditure	35,240	33,400	-1,840
8,419	Supplies & Services	7,150	7,150	0
<u>42,842</u>	Gross Expenditure	<u>42,390</u>	<u>40,550</u>	<u>-1,840</u>
-288,138	Other Income	-381,770	-377,670	4,100
<u>-245,295</u>	Net Expenditure	<u>-339,380</u>	<u>-337,120</u>	<u>2,260</u>
GX54	Christchurch Tower			
856	Premises-Related Expenditure	400	440	40
856	Gross Expenditure	400	440	40
0	Other Income	0	0	0
<u>856</u>	Net Expenditure	<u>400</u>	<u>440</u>	<u>40</u>
GX60	Mountfield Industrial Estate			
81	Premises-Related Expenditure	2,910	2,910	0
81	Gross Expenditure	2,910	2,910	0
0	Other Income	0	0	0
<u>81</u>	Net Expenditure	<u>2,910</u>	<u>2,910</u>	<u>0</u>
GX65	Folca			
162,049	1 Premises-Related Expenditure	152,250	212,500	60,250
162,049	Gross Expenditure	152,250	212,500	60,250
-118,863	Other Income	0	0	0
<u>43,187</u>	Net Expenditure	<u>152,250</u>	<u>212,500</u>	<u>60,250</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 MTFS adjustment			60,250
GX80	Misc Otterpool Property			
45,708	Premises-Related Expenditure	21,580	22,100	520
3,351	Transport-Related Expenditure	0	700	700
41,721	Supplies & Services	0	0	0
<u>90,780</u>	Gross Expenditure	<u>21,580</u>	<u>22,800</u>	<u>1,220</u>
-118,097	Other Income	-100,000	-100,000	0
<u>-27,317</u>	Net Expenditure	<u>-78,420</u>	<u>-77,200</u>	<u>1,220</u>
GX81	Connect 38			
15,757	Premises-Related Expenditure	22,020	24,100	2,080
284,305	Supplies & Services	42,000	42,000	0
300,063	Gross Expenditure	64,020	66,100	2,080
-323,063	Other Income	-1,241,000	-1,241,000	0
<u>-23,000</u>	Net Expenditure	<u>-1,176,980</u>	<u>-1,174,900</u>	<u>2,080</u>
GX82	Westenhanger Castle			
-2,786	Premises-Related Expenditure	0	0	0
-2,786	Gross Expenditure	0	0	0
0	Other Income	0	0	0
<u>-2,786</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
GX83	Memorial Arch			
3,669	Premises-Related Expenditure	15,000	11,780	-3,220
2,350	Supplies & Services	0	2,570	2,570
6,019	Gross Expenditure	15,000	14,350	-650
-1,119	Other Income	0	0	0
<u>4,900</u>	Net Expenditure	<u>15,000</u>	<u>14,350</u>	<u>-650</u>
GX84	Folkestone Racecourse			
85,223	Premises-Related Expenditure	0	0	0
85,223	Gross Expenditure	0	0	0
-27,149	Other Income	0	0	0
<u>58,074</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
GX89	Misc Agricultural Property			
0	Premises-Related Expenditure	100	100	0
0	Gross Expenditure	100	100	0
0	Other Income	0	0	0
<u>0</u>	Net Expenditure	<u>100</u>	<u>100</u>	<u>0</u>

**Gill Butler
Housing Summary**

		<u>Service</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
-14,937	HE10 Housing Standards	-5,660	-5,660	0
3,500	HH11 Housing Strategy	3,500	3,500	0
-18,818	HH21 Homelessness	-13,850	-25,010	-11,160
-431,990	HH22 Homelessness (Grant Funded Exp)	-97,260	-63,660	33,600
-66,459	HH25 FHDC Temporary Accommodation	-22,000	-52,000	-30,000
-552,253	HH40 Renovation Grants	0	0	0
44,550	HH42 Care and Repair Scheme	44,550	44,550	0
33,428	HH48 Other Housing Improvement Services	100,000	100,000	0
0	HX02 Rent Deposits	1,000	1,000	0
-1,002,979	Service Total	10,280	2,720	-7,560

		<u>Administration</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Original to Original Variance
£		£	£	£
104,536	GH01 Assets and Development	87,610	90,440	2,830
176,490	GH02 HRA Regeneration & Development	223,470	2,300	-221,170
280,465	GH03 Compliance	242,090	231,040	-11,050
357,977	GH04 Repairs	314,970	327,650	12,680
365,634	GH05 Assets & Major Works	321,650	308,270	-13,380
92,334	GH06 Housing Operations	79,320	80,810	1,490
630,686	GH07 Neighbourhood Management	613,860	637,400	23,540
60,147	GH08 Leasehold Management	58,930	61,400	2,470
419,725	GH09 Supported Housing	371,170	334,330	-36,840
15,225	GH10 Regulations Specialists	37,590	39,280	1,690
383,197	GH58 Housing Options	384,000	358,210	-25,790
53,481	GH61 Social Lettings Agency	47,410	49,750	2,340
183,421	GH62 Housing Strategy & Support	190,500	148,220	-42,280
198,462	GM03 Assistant Director - Housing	129,010	133,730	4,720
266,218	GM29 Private Sector Housing	230,980	243,060	12,080
3,587,997	Administration Total	3,332,560	3,045,890	-286,670

**Gill Butler
Housing Detail**

		<u>Service</u>		
2021/22 Actual		2022/23 Original Budget	2023/24 Original Budget	Variances
£		£	£	£
	HE10 Housing Standards			
-185	Supplies & Services	1,000	1,000	0
-185	Gross Expenditure	1,000	1,000	0
-14,752	Other Income	-6,660	-6,660	0
-14,937	Net Expenditure	-5,660	-5,660	0
	HH11 Housing Strategy			
1,000	Premises-Related Expenditure	1,000	1,000	0
2,500	Supplies & Services	2,500	2,500	0
3,500	Gross Expenditure	3,500	3,500	0
0	Other Income	0	0	0
3,500	Net Expenditure	3,500	3,500	0

HH21	Homelessness			
0	Transport-Related Expenditure	300	300	0
317,876	1 Supplies & Services	283,450	307,290	23,840
5,297	Third Party Payments	7,400	7,400	0
<u>323,173</u>	Gross Expenditure	<u>291,150</u>	<u>314,990</u>	<u>23,840</u>
-341,992	2 Other Income	-305,000	-340,000	-35,000
<u>-18,818</u>	Net Expenditure	<u>-13,850</u>	<u>-25,010</u>	<u>-11,160</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 MTFS adjustment			23,840
	2 Approved Budget Strategy Savings			-35,000
HH22	Homelessness (Grant Funded Exp)			
237,792	1 Employees	195,320	230,320	35,000
3,975	Transport-Related Expenditure	4,000	2,000	-2,000
<u>221,668</u>	Supplies & Services	<u>217,420</u>	<u>218,020</u>	<u>600</u>
463,435	Gross Expenditure	<u>416,740</u>	<u>450,340</u>	<u>33,600</u>
-895,425	Other Income	-514,000	-514,000	0
<u>-431,990</u>	Net Expenditure	<u>-97,260</u>	<u>-63,660</u>	<u>33,600</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Agreed post (outside of Growth exercise)			19,000
	2 Employee Costs including Increments and Pension			16,000
HH25	FHDC Temporary Accommodation			
10,534	Premises-Related Expenditure	23,000	23,000	0
<u>24,823</u>	Supplies & Services	<u>5,000</u>	<u>5,000</u>	<u>0</u>
35,357	Gross Expenditure	<u>28,000</u>	<u>28,000</u>	<u>0</u>
-101,816	1 Other Income	-50,000	-80,000	-30,000
<u>-66,459</u>	Net Expenditure	<u>-22,000</u>	<u>-52,000</u>	<u>-30,000</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Savings			-30,000
HH40	Renovation Grants			
802,670	1 Supplies & Services	1,000,000	1,000,000	0
<u>802,670</u>	Gross Expenditure	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
-1,354,923	Other Income	-1,000,000	-1,000,000	0
<u>-552,253</u>	Net Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
HH42	Care and Repair Scheme			
44,550	Supplies & Services	44,550	44,550	0
<u>44,550</u>	Gross Expenditure	<u>44,550</u>	<u>44,550</u>	<u>0</u>
0	Other Income	0	0	0
<u>44,550</u>	Net Expenditure	<u>44,550</u>	<u>44,550</u>	<u>0</u>
HH48	Other Housing Improvement Services			
116,829	Supplies & Services	100,000	100,000	0
<u>116,829</u>	Gross Expenditure	<u>100,000</u>	<u>100,000</u>	<u>0</u>
-83,400	Other Income	0	0	0
<u>33,428</u>	Net Expenditure	<u>100,000</u>	<u>100,000</u>	<u>0</u>
HX02	Rent Deposits			
0	Supplies & Services	1,700	1,700	0
<u>0</u>	Gross Expenditure	<u>1,700</u>	<u>1,700</u>	<u>0</u>
0	Other Income	-700	-700	0
<u>0</u>	Net Expenditure	<u>1,000</u>	<u>1,000</u>	<u>0</u>

Administration

2021/22 Actual £		2022/23 Original Budget £	2023/24 Original Budget £	Variances £
	GH01 Assets and Development			
102,796	Employees	85,600	89,140	3,540
1,741	Supplies & Services	2,010	1,300	-710
<u>104,536</u>	Gross Expenditure	<u>87,610</u>	<u>90,440</u>	<u>2,830</u>
0	Other Income	0	0	0
<u>104,536</u>	Net Expenditure	<u>87,610</u>	<u>90,440</u>	<u>2,830</u>
	GH02 HRA Regeneration & Development			
174,711	1 Employees	215,570	1,020	-214,550
285	Transport-Related Expenditure	150	150	0
1,495	2 Supplies & Services	7,750	1,130	-6,620
<u>176,490</u>	Gross Expenditure	<u>223,470</u>	<u>2,300</u>	<u>-221,170</u>
0	Other Income	0	0	0
<u>176,490</u>	Net Expenditure	<u>223,470</u>	<u>2,300</u>	<u>-221,170</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Permanent virement (GM33)			-214,000
	2 Adjustment to Centrally Determined Costs			-6,620
	GH03 Compliance			
275,971	Employees	228,680	224,390	-4,290
1,467	Transport-Related Expenditure	2,000	1,500	-500
3,027	1 Supplies & Services	11,410	5,150	-6,260
<u>280,465</u>	Gross Expenditure	<u>242,090</u>	<u>231,040</u>	<u>-11,050</u>
0	Other Income	0	0	0
<u>280,465</u>	Net Expenditure	<u>242,090</u>	<u>231,040</u>	<u>-11,050</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Savings			-5,800
	GH04 Repairs			
344,905	1 Employees	300,020	314,200	14,180
8,250	Transport-Related Expenditure	8,000	8,000	0
4,822	Supplies & Services	6,950	5,450	-1,500
<u>357,977</u>	Gross Expenditure	<u>314,970</u>	<u>327,650</u>	<u>12,680</u>
0	Other Income	0	0	0
<u>357,977</u>	Net Expenditure	<u>314,970</u>	<u>327,650</u>	<u>12,680</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			13,000
	GH05 Assets & Major Works			
355,809	1 Employees	306,130	297,420	-8,710
5,310	Transport-Related Expenditure	7,500	6,000	-1,500
4,515	Supplies & Services	8,020	4,850	-3,170
<u>365,634</u>	Gross Expenditure	<u>321,650</u>	<u>308,270</u>	<u>-13,380</u>
0	Other Income	0	0	0
<u>365,634</u>	Net Expenditure	<u>321,650</u>	<u>308,270</u>	<u>-13,380</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Approved Budget Strategy Savings			-30,000
	1 Employee Costs including Increments and Pension			20,000
	GH06 Housing Operations			
91,535	Employees	76,450	79,610	3,160
799	Supplies & Services	2,870	1,200	-1,670
<u>92,334</u>	Gross Expenditure	<u>79,320</u>	<u>80,810</u>	<u>1,490</u>
0	Other Income	0	0	0
<u>92,334</u>	Net Expenditure	<u>79,320</u>	<u>80,810</u>	<u>1,490</u>

GH07	Neighbourhood Management			
589,097	1 Employees	530,170	559,500	29,330
250	Premises-Related Expenditure	0	0	0
14,009	Transport-Related Expenditure	17,200	15,000	-2,200
27,329	Supplies & Services	66,490	62,900	-3,590
<u>630,686</u>	Gross Expenditure	<u>613,860</u>	<u>637,400</u>	<u>23,540</u>
0	Other Income	0	0	0
<u>630,686</u>	Net Expenditure	<u>613,860</u>	<u>637,400</u>	<u>23,540</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Employee Costs including Increments and Pension			28,000
GH08	Leasehold Management			
59,108	Employees	57,620	60,330	2,710
1,382	Supplies & Services	1,310	1,070	-240
<u>60,490</u>	Gross Expenditure	<u>58,930</u>	<u>61,400</u>	<u>2,470</u>
-343	Other Income	0	0	0
<u>60,147</u>	Net Expenditure	<u>58,930</u>	<u>61,400</u>	<u>2,470</u>
GH09	Supported Housing			
399,952	1 Employees	347,760	321,180	-26,580
12,967	2 Transport-Related Expenditure	14,500	4,500	-10,000
6,806	Supplies & Services	8,910	8,650	-260
<u>419,725</u>	Gross Expenditure	<u>371,170</u>	<u>334,330</u>	<u>-36,840</u>
0	Other Income	0	0	0
<u>419,725</u>	Net Expenditure	<u>371,170</u>	<u>334,330</u>	<u>-36,840</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Budget re-alignment			-26,000
	2 Adjustment to Centrally Determined Costs			-10,000
GH10	Regulations Specialists			
15,023	Employees	37,310	39,000	1,690
202	Supplies & Services	280	280	0
<u>15,225</u>	Gross Expenditure	<u>37,590</u>	<u>39,280</u>	<u>1,690</u>
0	Other Income	0	0	0
<u>15,225</u>	Net Expenditure	<u>37,590</u>	<u>39,280</u>	<u>1,690</u>
GH58	Housing Options			
470,291	1 Employees	375,930	352,960	-22,970
9,557	Transport-Related Expenditure	10,020	6,020	-4,000
12,078	Supplies & Services	3,220	4,400	1,180
0	Third Party Payments	35,000	35,000	0
<u>491,926</u>	Gross Expenditure	<u>424,170</u>	<u>398,380</u>	<u>-25,790</u>
-108,729	Other Income	-40,170	-40,170	0
<u>383,197</u>	Net Expenditure	<u>384,000</u>	<u>358,210</u>	<u>-25,790</u>
	Key Variances from Original Budget 2022/23 to Original Budget 2023/24			
	1 Budget re-alignment			-40,000
	1 Employee Costs including Increments and Pension			13,000
GH61	Social Lettings Agency			
52,620	Employees	46,840	48,750	1,910
429	Transport-Related Expenditure	200	600	400
432	Supplies & Services	370	400	30
<u>53,481</u>	Gross Expenditure	<u>47,410</u>	<u>49,750</u>	<u>2,340</u>
0	Other Income	0	0	0
<u>53,481</u>	Net Expenditure	<u>47,410</u>	<u>49,750</u>	<u>2,340</u>

GH62	Housing Strategy & Support			
173,375	1 Employees	181,040	139,460	-41,580
1,821	Transport-Related Expenditure	2,680	1,180	-1,500
8,224	Supplies & Services	6,780	7,580	800
<u>183,421</u>	Gross Expenditure	<u>190,500</u>	<u>148,220</u>	<u>-42,280</u>
0	Other Income	0	0	0
<u>183,421</u>	Net Expenditure	<u>190,500</u>	<u>148,220</u>	<u>-42,280</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1	Approved Budget Strategy Savings			-48,000
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GM03	Assistant Director - Housing			
197,089	Employees	127,340	131,760	4,420
0	Transport-Related Expenditure	250	250	0
1,373	Supplies & Services	1,420	1,720	300
<u>198,462</u>	Gross Expenditure	<u>129,010</u>	<u>133,730</u>	<u>4,720</u>
0	Other Income	0	0	0
<u>198,462</u>	Net Expenditure	<u>129,010</u>	<u>133,730</u>	<u>4,720</u>

GM29	Private Sector Housing			
257,633	1 Employees	222,520	235,920	13,400
4,416	Transport-Related Expenditure	5,600	3,600	-2,000
4,169	Supplies & Services	2,860	3,540	680
<u>266,218</u>	Gross Expenditure	<u>230,980</u>	<u>243,060</u>	<u>12,080</u>
0	Other Income	0	0	0
<u>266,218</u>	Net Expenditure	<u>230,980</u>	<u>243,060</u>	<u>12,080</u>

Key Variances from Original Budget 2022/23 to Original Budget 2023/24

1	Employee Costs including Increments and Pension			10,000
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This Report will be made public on 23 December 2022



Report Number **C/22/78**

To: Cabinet
Date: 25 January 2023
Status: Key Decision
Head of Service: Charlotte Spendley, Director of Corporate Services
Cabinet Members: Councillor David Monk, Leader of the Council and Councillor David Godfrey, Housing, Transport and Special Projects

SUBJECT: DRAFT HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL ORIGINAL BUDGET 2023/24

SUMMARY: This report sets out the Housing Revenue Account Revenue and Capital Budget for 2023/24 and proposes an increase in weekly rents and an increase in service charges for 2023/24.

REASONS FOR RECOMMENDATION:

Cabinet is requested to agree the recommendations set out below as the Local Government Housing Act 1989 requires the Council, as a Local Housing Authority, to keep a separate Housing Revenue Account and to produce estimates to ensure that the account does not go into deficit. The authority also has a duty to set and approve rents in accordance with government guidelines that are outlined in the self-financing determination. The Constitution requires that the annual Budget and any variations to the Budget are approved by Council.

RECOMMENDATIONS:

1. To receive and note Report C/22/78.
2. To recommend to Full Council the Housing Revenue Account Budget for 2023/24. (Refer to paragraph 2.1 and Appendix 1)
3. To recommend to Full Council the increase in rents of dwellings within the HRA on average by £6.25 per week, representing a 7% increase with effect from 3 April 2023 (Refer to paragraph 3.2)
4. To recommend to Full Council the increase in service charges. (Refer to section 3.5)
5. To approve the Housing Revenue Account Capital Programme budget 2023/24. (Refer to paragraph 4.1 and Appendix 2)

1. INTRODUCTION

- 1.1 The Housing Revenue Account (HRA) is a ring-fenced account and is outlined and projected within the HRA Business Plan. The HRA Business Plan determines HRA budget setting, as estimates need to be closely aligned to the model to ensure that the HRA remains financially viable.
- 1.2 The Reform of Council Housing Finance came into effect from 1 April 2012, and significantly brought an end to the subsidy system where authorities such as Folkestone & Hythe made a contribution to the national pot. Instead, authorities are now part of the self-financing arrangements following a re-distribution of the national housing debt and the abolition of rent restructuring.
- 1.3 In October 2018, Government announced the removal of the HRA borrowing cap to enable local authorities to build more homes. In light of this and following a review of the financial position within the HRA, there was an opportunity for the Council to expand its New Build Programme to significantly increase the number of new homes in the district. In February 2020 Cabinet approved the updated HRA Business Plan to deliver 1,200 homes by 2034/35.
- 1.4 The HRA Business Plan is the cornerstone of the financial and business planning requirement for the HRA in terms of delivery of its plans for social housing and the affordability of this, coupled with the long-term plans for the overall development and maintenance of the housing stock.
- 1.5 The current HRA Business Plan is being refreshed to allow for the recent stock condition survey results and for an update of the Council's HRA new build programme which is being developed by the Council's Housing team.
- 1.6 The HRA Business Plan is being developed in tandem with the budget planning exercise for 2023/24, however, due to the complex nature of the 30-year Business Plan, it is likely that the production of this will take a number of months to complete and consult upon, and therefore the plan may not be ready until after the HRA Budget Estimates are approved by Council in February 2023.
- 1.7 A set of HRA principles for the Business Plan is due to be presented to the Council's Scrutiny Committees in January 2023 by the Director of Housing and Operations and the Chief Officer for Housing. This presentation will outline the timescales for this.

2. HOUSING REVENUE ACCOUNT REVENUE ESTIMATES

2.1 Original Budget 2023/24

The proposed HRA Budget for 2023/24, at Appendix 1, shows a forecast deficit of £1.4m. This is in line with the agreed HRA Business Plan which will continue to fluctuate from year to year, depending on the profile of the stock, size of the new build programme and the resources available. The year-end

HRA revenue reserve balance as at 31 March 2024 is expected to be £4.4m as shown at Table 1 below:

Table 1	£000's
Original estimate of balance at 31 March 2023	(5,867)
Movement from Original 2022/23 to Original budgets 2023/24	
Decrease in revenue contribution to Capital	(3,026)
Increase in rents and other service charges (see 2.1.2)	(1,162)
Increase in depreciation charges (see 2.1.3)	685
Increase in repairs and maintenance (see 2.1.4)	263
Increase in special management (see 2.1.4)	209
Increase in general management (see 2.1.4)	172
Increase in bad debt provision (see 2.1.5)	150
Other net movements	75
	(2,634)
Deficit 2022/23	4,061
Original estimate of balance at 31 March 2024	(4,440)

2.1.1 HRA Revenue budget

The HRA revenue budgets are reflected in the HRA business plan. The business plan sets out the Council's income and expenditure plans for its landlord service over a 30 year period, including the capital costs of maintaining the decent homes standard and of any additional improvements agreed with tenants.

2.1.2 Rents

The dwelling rents have been increased in line with the Rent Standard 2023 of 7% for both social rent housing and affordable rent housing. This revised policy was announced by government in December 2022 and allows social landlords to increase rents by 7% for 2023/2024 only with a view to revisit for the rent setting of 2024/2025 depending on the economic climate.

2.1.3 Depreciation charges

The movement in depreciation charges for fixed assets is due to an increased asset valuation of council stock of approximately 20% at 31 March 2022. This had the effect of increasing the depreciation charged. It should, however, be noted that the increased depreciation charge provides a matched increase to the Major Repairs Reserve (see 2.2 below) which is used to fund capital spending. In turn, a corresponding saving can be made to the revenue funding of capital expenditure, offsetting the increase in the depreciation charge.

2.1.4 Repairs, Maintenance & Management costs

The increase in repairs, maintenance and management costs relates predominantly to inflation (materials and labour and landlord utility costs) which have been driven by the current economic climate. This increase also includes increased recharge costs for the HRA's allocation of Council resources (e.g. staff costs).

2.1.5 Bad Debt Provision

An increase in the HRA's provision for bad debt has been factored into the budget this year to account for the cost-of-living crisis which is affecting households across the spectrum and which will likely impact the rent collection and ultimately lead to bad debts due to stretched household finances.

2.2 HRA Reserve Balances

HRA Reserve – The HRA reserve consists of revenue balances that can be used for revenue or capital expenditure in line with the HRA Business Plan. The actual reserve balance on the HRA at the start of 2022/23 was £9.93m, this has increased due to the planned accumulation of balances to help fund the future new build programme.

Table 2 below shows the estimated HRA balances to 31 March 2024.

<i>Table 2</i>	2022/23	2023/24
	£000's	£000's
Balance as at 1 April	9,928	5,867
Balance as at 31 March	5,867	4,440

The HRA reserve is expected to decrease by £1.4m from the close of 2022/23 and the end of the financial year 2023/24.

The changes with the introduction of Self-Financing have significantly increased the flexibility for the Council to manage the resources and debts within the HRA to best meet the needs of existing and future tenants. The estimated HRA balances, set out in table 2, are above the revised recommended minimum balance, which is £2m.

Major Repair Reserve (MRR) – This reserve is derived from the transfer of the depreciation charge from the revenue account and can be used to fund major repairs for capital expenditure or debt repayment. The Council's Business Plan requires that the reserve is allocated to fund capital expenditure. The proposed HRA capital programme should leave the Major Repairs Reserve with a nil balance. This is in line with the practice adopted by the Council in previous years, of using the Major Repairs Reserve in the year it is received.

3. RENT SETTING GUIDANCE & RENTS

3.1 Rent Policy – National context

On the 31 August 22 a consultation was launched to invite views from social housing tenants and landlords on a proposed rent cap to understand how best to support households with the cost of living.

Under the proposals, a cap on social housing rent increases would be put in place for the coming financial year, with options at 3%, 5% and 7% being considered. The move would prevent rents for council and housing association houses from rising significantly, saving tenants an average £300 per year and providing stability as inflation rises.

The government regulates how much social housing rents can increase each year. Currently this is set at up to the consumer price index (CPI) rate for September in a given year, plus 1% - meaning potential increases for 2023/2024 of 11% in line with the latest data from the Office of National Statistics.

Following the conclusion of the consultation, a 7% cap was introduced by the Government, subject to specific exceptions for supported housing and accommodation when first let or subsequently re-let. For stockholding councils, the 7% cap on the rents for social housing is higher than the original 5% proposal by the Government. This will give the council more room for manoeuvre in balancing the need to fund the maintenance and improvement of social housing without imposing unaffordable increases on tenants.

3.2 Rent Increase – Local context

In line with last years approved report, Housing Services will be charging the 'formula rent'¹ when a property is re-let to a new tenant and service charges that fall under utilities will be charged at the 'actual' cost on new lets.

The proposed increase of 7% in line with Government guidelines, equates to an increase of £6.25 per week or £325.00 per annum. This gives an average rent of £99.40 (over 50 weeks) in 2023/24 (average rent in 2022/23 is £92.82 (over 50 weeks)).

The HRA has 15 shared ownership properties. Shared Ownership rents are not covered by the 7% cap announced last week. As set out in the terms of most lease agreements, rents are permitted to increase by a maximum of the Retail Prices Index (RPI) for a given month plus 0.5%. In November, RPI was 14%. This means that rents could increase by as much as 14.5% in 2023-24. This particularly high increase would come at a time when shared owners will also be facing other pressures on their household finances, including rising interest rates.

¹ The 'formula rent' is the amount an individual rent can be set at before taking into account the rent restructuring restrictions and maximises the rental income received without penalising any individual.

The government is, therefore, pleased to note that housing associations responsible for 90% of that sector's Shared Ownership homes have voluntarily committed to limiting rent increases for their shared owners in 2023-24 to no more than 7%.

The Secretary of State is eager for this voluntary commitment to be extended as widely as possible so that all shared owners may benefit, regardless of who their landlord is. Members may wish to determine if a 7% cap on shared ownership rents brings this into line with affordable rents.

3.3 New Build rents

In line with proposals set out in the Council's current HRA Business Plan, the rents for any new homes will be set at affordable rent levels. Affordable rents are defined as being a maximum of 80% of the prevailing average market rent for the area and should be no more than the prevailing local housing allowance (LHA) rates for the area to ensure that properties remain affordable.

The local housing allowances rates for 2023/24 will not be available until early February 2023. The Government announced in January 2020 that rates will rise by inflation from April 2020, however, it is unclear whether the rates will be frozen for 2023/24 due to the economic climate. The indicative 2023/24 affordable rents for the Folkestone & Hythe area are as follows showing both a price freeze and CPI as at September 2022:

	No increase	7% increase	CPI increase	10.1%
Bedsits	£65.00 per week	£69.55 per week	£71.56 per week	
1 bedroom houses	£100.11 per week	£107.11 per week	£110.22 per week	
2 bedroom houses	£132.33 per week	£141.59 per week	£145.69 per week	
3 bedroom houses	£172.60 per week	£184.68 per week	£190.03 per week	
4 bedroom houses	£207.12 per week	£221.61 per week	£228.04 per week	

3.4 Rent Comparisons

The table below compares Folkestone & Hythe's average weekly rent to that of other authorities in Kent.

<i>Table 3</i>	Average weekly rent over 52 weeks (2023/24) £	Difference between FHDC and other authorities £
Folkestone & Hythe	95.58	-
Dover	96.88	1.30
Canterbury	103.47	7.89
Thanet	92.50	(3.08)

- Subject to Dover, Canterbury and Thanet's approval at their own Council meetings.

3.5 Service Charges

3.5.1 General Service Charges

The general principle for service charges for tenants is that they are set to recover the costs of the service they fund. However, the Government also limits increases in service charges as part of rent setting guidance which for 2023/2024 is 7%, as opposed to CPI + 1%. The CPI for September 2022 was 10.1%, therefore the rate increase would have been a maximum of 11.1% (10.1% + 1%).

Local authorities can increase charges above this level where costs are increased that are beyond the authorities' control. Utility charges, such as heating and hot water in sheltered housing schemes are an example where this applies. Proposals for these charges for 2023/24 are set out in 3.5.2 below.

3.5.2 Heating charges in Sheltered Housing

Residents in 12 of the Council's sheltered housing schemes have heating and hot water provided to their flats by communal systems. Charges are made for this service based on the floor area of each flat.

Over time fuel costs have increased significantly above the rate of inflation, so that the charges raised for this service no longer cover the costs. The proposed charges for this service, set against the actual cost of providing the service, are in line with the principle agreed last year. This continued move to full cost recovery may result in some tenants facing significant increases and it is therefore proposed to set charges that provide some interim protection against the highest increases.

Following the same approach as previous years, it is recommended that the 2023/24 service charges for heating and hot water in sheltered housing schemes should be set at actual cost or 10% increase, subject to the following limits:

- Bedsit flats £28.02 per week (£1,401 per year)
- 1 bed flats £31.24 per week (£1,562 per year)
- 2 bed flats £34.30 per week (£1,715 per year)

4. HOUSING REVENUE ACCOUNT CAPITAL ESTIMATES

4.1 Original Budget 2023/24

The proposed HRA Capital Budget for 2023/24, shown in Appendix 2, is £10.8m. Table 4 below shows the movements in the programme from the 2022/23 original budget to the original budget for 2023/24.

<i>Table 4</i>	£000's
Original estimate 2022/23	14,720
Changes in programme	
New Builds (see 4.1.1)	(2,243)
Thermal Insulations (see 4.1.2)	(1,450)
Ross House (see 4.1.3)	(450)
Door/Block Entry (see 4.1.4)	(409)
Rewiring (see 4.1.5)	(200)
Communal Areas (see 4.1.6)	(104)
SHDF Wave 2 - Capital Works (see 4.1.2)	881
SHDF Wave 2 - A & A (see 4.1.2)	155
Other net variances	(129)
Total decrease in expenditure	(3,949)
Original estimate 2023/24	10,771

4.1.1 New Build Programme

The budget required for the new build programme will vary from year-to-year depending on the profile of the programme. This is reflected within the HRA Business Plan which was agreed by Cabinet on 19 February 2020 and stated that 1,200 new homes would be delivered by 2034/35 and is currently being refreshed.

The movement in the budget for 23/24 relates to completion of the Radnor Park development in 22/23 and subsequent removal from the budget, delays to the Highview development, offset by the HRA's contribution to Biggins Wood.

4.1.2 Thermal Insulations

The budget for thermal insulation has been largely substituted by the Social Housing Decarbonisation Fund budget which seeks to achieve the same goal of increasing thermal efficiency and reducing carbon emissions in use.

The 2019 Conservative Manifesto committed to a £3.8bn Social Housing Decarbonisation Fund (SHDF) over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The SHDF aims to deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs.

Following a successful application for Wave 1 funding and receipt of £1,989,090, the Council has submitted an application for Wave 2 funding and a budget has been provided for match funding in 23/24 (50% grant funding, 50% Council funding), should the application be successful.

4.1.3 Ross House

As part of the Wave 1 SHDF funding, it was planned that Ross House would receive upgrades to improve its energy efficiency in 22/23. However, the programme has been subject to delay in the completion of the works which are likely to extend into 23/24, as highlighted in report C/22/59 (reported to Cabinet on 23 November 2022).

4.1.4 Door/Block Entry

Works have been conducted in 22/23 to communal doors in residential blocks, resulting in a reduced capital spend requirement for 23/24.

4.1.5 Rewiring

A programme of electrical recertifications (required every 5 years) and identification of works required has been conducted, with approximately 190 properties remaining. The movement in budget reflects the level of work required for 23/24 compared to 22/23.

4.1.6 Communal Areas

The movement in the communal areas reflects the cyclical nature of capital works required.

4.2 HRA Reserve Balances

HRA Reserve – The HRA reserve consists of revenue balances that can be used for revenue or capital expenditure in line with the HRA Business Plan.

The following table shows the required resources to finance the original budget for 2022/23 and original budget for 2023/24 for the HRA capital programme.

Table 6	Major Repairs Reserve	Use of RTB Capital Receipts	Use of Other HRA Capital Receipts	Capital Financing	Revenue Contribution	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Original budget 2022/23	2,399	2,279	3,384	0	6,658	14,720
Original budget 2023/24	3,084	600	0	3,454	3,633	10,771

5. RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Capital programme does not reflect work required	Medium	Low	The budgets have been drafted following a comprehensive stock condition survey to identify works required
Spending profile and budget are unaligned	High	Low-Medium	Stringent budget monitoring during the financial year will enable early corrective action

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Comments (NM)

There are no legal implications arising directly out of this report other than as already stated therein. (Following the coming into force of Schedule 15 of the Localism Act 2011, English local authorities are required to be self-financing in relation to their housing stock, financing their housing stock from their own rents.)

6.2 Finance Comments (LW)

All financial effects are included in this report.

6.3 Diversities and Equalities Implications

This report is in line with the Council's Diversity and Equality policies.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting.

This report has been prepared by:

Jonathan Smith, Senior Accountant

Telephone 01303 853780 Email: jonathan.smith@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

None

Appendices:

Appendix 1 - HRA Revenue Budgets

Appendix 2 - HRA Capital Programme

HOUSING SERVICES

APPENDIX 1
ANNUAL ESTIMATES 2023/24

Actual 2021/22 £	<u>HOUSING REVENUE ACCOUNT</u>	Original 2022/23 £	Estimate 2023/24 £
	<u>INCOME</u>		
15,230,322	Dwelling rents	15,817,040	16,984,378
280,228	Non-dwelling rents	342,380	285,000
1,016,680	Other charges for services and facilities	1,047,020	1,099,371
1,989,000	Capital Grants and Contributions	0	0
52,200	Contributions from general fund	52,200	52,200
18,568,430	TOTAL INCOME	17,258,640	18,420,949
	<u>EXPENDITURE</u>		
3,958,821	Repairs and maintenance	4,091,260	4,354,690
5,422,810	General management *	4,907,080	5,079,562
1,634,529	Special management *	1,692,330	1,901,625
20,085	Rents, rates & taxes	21,750	21,750
-36,549	Increase provision for bad or doubtful debts	100,000	250,000
	<u>Capital Financing Costs</u>		
10,667,835	Depreciation charges	2,398,700	3,084,000
-1,468,846	Exceptional Item Impairment	0	0
24,110	Debt management expenses	22,950	22,950
20,222,795	TOTAL EXPENDITURE	13,234,070	14,714,577
1,654,365	NET COST OF SERVICES	-4,024,570	-3,706,372
-761,712	(Gain)/Loss on Sale of HRA Fixed Assets	0	0
1,519,711	Loan charges - Interest	1,633,000	1,907,000
	<u>Investment Income</u>		
-13,394	Interest on notional cash balances	-11,310	-311,000
255,000	Pensions Interest Cost and Expected Return on Assets	0	100,000
2,653,970	NET OPERATING INCOME	-2,402,880	-2,010,372
-4,794,182	Any other item of income & expenditure	0	0
761,712	Gain/(Loss) on Sale of HRA Fixed Assets		
4,286,732	Revenue Contribution to Capital Expenditure	6,658,597	3,632,650
-800,000	Pensions Interest costs	-195,000	-195,000
2,108,232	TOTAL DEFICIT/SURPLUS(-) FOR YEAR	4,060,717	1,427,278
12,036,896	Balance as at 1st April	9,927,944	5,867,227
9,927,944	Balance as at 31st March	5,867,227	4,439,949

* General Management - relates to costs for the whole of the housing stock or all tenants such as EKH Management Fee and support costs.

* Special Management - relates to only some of the tenants such as cleaning communal areas of flats and maintenance of open spaces.

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HOUSING SERVICES

ANNUAL ESTIMATES 2023/24

Actual 2021/22 £	<u>HRA CAPITAL PROGRAMME</u>	22/23 budget	Draft 2023/24 £
	<u>EXPENDITURE</u>		
	<u>Decent Homes Standard</u>		
495,893	Doors	732,350	732,350
998,850	Re-roofing	799,640	799,640
621,860	Heating Improvements	649,330	649,330
341,214	Kitchen Replacement	579,600	500,000
250,000	Bathroom Improvements	444,250	444,250
161,578	Void Capital Works	300,000	300,000
323,961	External Enveloping	392,440	350,000
1,256,962	Fire Protection Works	800,000	800,000
110,737	Thermal Insulations	1,449,900	0
0	Contract Specification	0	0
2,473,929	Enhanced Capital Programme	0	0
0	Smoke/CO Detectors	38,080	50,000
0	Door Block Entry System	409,000	0
0	Communal Areas	104,060	0
0	Ross House	900,000	450,000
0	SHDF Wave 2 - A & A	0	155,457
0	SHDF Wave 2 - Capital Works	0	880,923
7,034,984	Sub-Total	7,598,650	6,111,950
	<u>Non Decent Homes Standard</u>		
10,000	Treatment Works	110,000	110,000
529,816	Disabled Adaptations	450,000	450,000
389,907	Rewiring	437,200	237,200
80,000	Sheltered Scheme upgrades	80,000	80,000
65,145	Garages Improvements	150,000	150,000
10,849	Lift Replacements	60,000	60,000
1,085,717	Sub-Total	1,287,200	1,087,200
	<u>Renovation/Modernisation Schemes</u>		
0	Broadmead Road		0
0	Sub-Total		0
	<u>New Build Programme</u>		
2,923,521	New Builds	5,696,890	3,454,000
2,923,521	Sub-Total	5,696,890	3,454,000
	<u>Environment/Estate Improvement</u>		
15,334	Environmental Works	29,500	29,500
50,450	New Paths	50,000	50,000
9,993	Play Areas	10,000	10,000
75,777	Sub-Total	89,500	89,500
11,119,999	TOTAL IMPROVEMENTS TO HRA STOCK	14,672,240	10,742,650
	<u>OTHER SCHEMES</u>		
15,938	EKH Single System	47,813	28,000
0	Cash Incentive Scheme		0
11,135,936	TOTAL EXPENDITURE	14,720,053	10,770,650
	<u>FINANCING</u>		
5,678,986	Major Repairs Reserve	2,398,700	3,084,000
1,169,408	1-4-1 Capital Receipts	2,278,756	600,000
0	HRA Other Capital Receipts	3,384,000	0
0	Capital Financing	0	3,454,000
4,287,543	Revenue Contribution	6,658,597	3,632,650
11,135,936	TOTAL FINANCING	14,720,053	10,770,650
0	SHORTFALL IN FINANCING	0	0

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This Report will be made public on 23 December 2022



Report Number **C/22/75**

To: Cabinet
Date: 25 January 2023
Status: Key Decision
Head of Service: Charlotte Spendley - Director of Corporate Services
Cabinet Member: Councillor David Monk – Leader and Portfolio Holder for Finance

SUBJECT: UPDATE TO THE GENERAL FUND MEDIUM TERM CAPITAL PROGRAMME

SUMMARY: This report updates the General Fund Medium Term Capital Programme for the five-year period ending 31 March 2028. The General Fund Medium Term Capital Programme is required to be submitted to full Council for consideration and approval as part of the budget process.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because:

- a) It needs to be kept informed of the existing General Fund Medium Term Capital Programme position and take appropriate action to deal with any variance from the approved budget.
- b) Proposed extensions to existing schemes are required to be considered and approved before being included in the Council's Medium Term Capital Programme.
- c) The proposed Medium Term Capital Programme needs to be considered before it is submitted to full Council for approval as part of the budget process.
- d) The Council must also have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities when carrying out its duties under Part 1 of the Local Government Act 2003.

RECOMMENDATIONS:

1. To receive and note report C/22/75.
2. To seek Council's approval to the updated General Fund Medium Term Capital Programme as set out in appendix 1 to this report.

1. INTRODUCTION AND BACKGROUND

- 1.1 In line with the Council's approved Budget Strategy for 2023/24, this report updates the General Fund Medium Term Capital Programme (MTCP) for the five-year period ending 31 March 2028. The report;-
- i) reviews and updates the existing approved Medium Term Capital Programme and incorporates the capital investment proposals agreed by Cabinet during the budget process for 2023/24,
 - ii) provides details of those existing capital schemes proposed to be extended by one year into 2027/28,
 - iii) summarises the impact the proposed changes to the overall capital programme will have on the financing resources required to fund it.
- 1.2 The capital expenditure plans for the Housing Revenue Account (HRA) are due to be considered by Cabinet in a separate report on this agenda as part of the current budget process for 2023/24.
- 1.3 The overall capital expenditure plans for both the General Fund and HRA are required to be submitted to full Council for consideration and approval as part of the budget process.
- 1.4 Additionally, the Council's General Fund and HRA capital investment plans will feature in the Capital Strategy and Investment Strategy both of which are planned to be reported to Cabinet on 22 February 2023 ahead of being submitted to full Council for approval on the same day. This is a requirement of the CIPFA Prudential Code for Capital Finance in Local Authorities.

2. UPDATE TO THE GENERAL FUND MEDIUM TERM CAPITAL PROGRAMME

- 2.1 The latest projection for the total cost and funding of the General Fund capital programme from 2022/23 to 2027/28 is £143,691,000, an increase of £3,684,000 compared to the latest approved budget of £140,007,000. Full details are shown in **appendix 1** to this report and the following table summarises the position across the service units and outlines the impact on the capital resources required to fund the programme:

General Fund Capital Programme	Latest Approved Budget	Latest Projection	Variance
	£'000	£'000	£'000
Service Units			
Operations	52,377	53,407	1,030
Governance, Law and Service Delivery	9	27	18
Place	76,722	77,793	1,071
Housing	7,155	8,555	1,400

Corporate Services	3,744	3,909	165
Total Capital Expenditure	140,007	143,691	3,684

Capital Funding

Capital Grants	(11,303)	(11,555)	(252)
External Contributions	(9,835)	(9,823)	12
Capital Receipts	(31,557)	(32,572)	(1,015)
Revenue	(3,041)	(4,095)	(1,054)
Borrowing	(84,271)	(85,646)	(1,375)
Total Funding	(140,007)	(143,691)	(3,684)

2.2 The changes from the approved budget to the latest projection for the medium term programme are summarised below:

	£'000	£'000
1 Capital investments decisions approved by Cabinet on 14 December 2022 (Budget Strategy 2023/24)		
a) Lifeline Capitalisation	100	
b) Hawkinge Depot Upgrade	75	
c) Funding of Folkestone Coastal Park Play Area Refurbishment (FPPG Charity)	40	
d) Replacement of HI-AB Crane	75	
e) Staff Welfare Facilities New Romney Depot	7	
f) Leas Cliff Hall Car Park - CCTV	13	
g) Replacement Tractor	85	
h) Replacement Cherry Picker Vehicle and Trailer	100	
i) Replacement Weed Barge	85	
j) Replacement Sports Mower (East Cliff Area)	9	
k) Replacement Transit Van	28	
l) Migrate IKEN Legal System to Cloud Hosted Service	18	
m) Rural England Prosperity Fund Capital Grants Scheme	571	
n) UK Shared Prosperity Fund Capital Grants Scheme	500	
o) Upgrade eFinancials Financial Ledger System to Cloud Hosted Service	70	
		1,776
2 Existing annual programmes extended by one year to 2027/28		
a) Coast Protection - Coronation Parade annual monitoring	4	
b) Coast Protection - Greatstone Dunes Management & Study	15	
c) Lifeline Capitalisation	50	

d) Empty Properties Initiative (KCC) - Loans to landlords	300	
e) Disabled Facilities Grants (DFGs) & Loans	1,000	
f) Home Safe Loans	100	
g) Replacement IT	95	
		<u>1,564</u>

3 Other changes

a) Hythe to Folkestone Beach Management Works - use of white diesel for vehicles and plant met by EA grant	336	
b) Lifeline Capitalisation - additional expenditure in 2022/23	20	
c) Play Area Equipment (COMF) scheme - saving	(12)	
		<u>344</u>
Total net increase		<u>3,684</u>

2.3 **Princes Parade Leisure and Housing Scheme** – Cabinet took the decision on 14 December 2022 to undertake just the necessary works to implement the planning permission for the scheme (minute 52 refers) while the operational delivery of the project has been paused. It is not possible to profile when the majority of the remaining budget for the scheme is projected to be incurred and this, along with the associated capital funding, is shown in appendix 1 to the report as ‘to be determined’.

2.4 **Inflation** in the current economic climate is clearly a risk to the delivery of the MTCP. In general terms, cost inflation poses a much greater risk for future construction related schemes than it does for the one-off replacement of vehicles and equipment. Except for Princes Parade and Otterpool Park, there are new no major construction related capital schemes in the proposed MTCP where cost inflation is likely to be a major risk. In the case of Otterpool Park it is anticipated the inflation risk from delivering the infrastructure for the proposed scheme can be mitigated by similar increases in land values as plots are sold for development. Capital grants and loans schemes are not subject to direct inflation as spending is limited to the approved budget only. Equally, coastal defence schemes are required to be managed within the approved grant funding from the Environment Agency, who will separately consider variation orders for additional costs before expenditure can be committed.

2.5 The profiling of the capital programme budget is likely to be subject to some change over the medium term. Factors including planning consents, procurement processes and external grant approvals can affect the timeframes to deliver capital schemes. Notably, the timing and profiling of the Otterpool Park Garden Town may be subject to change as the Council's plans for this develops going forward. Cabinet will be kept informed of any changes to the proposed profiling of expenditure for the capital programme through the budget monitoring process and future updates to the MTCP.

2.6 All proposed changes to the Council's General Fund MTCP are required to be approved by full Council as part of the budget setting process. The revenue implications of the of the MTCP are contained in either the proposed General Fund budget for 2023/24 or feature in the approved Medium Term Financial Strategy.

3. IMPACT ON CAPITAL RESOURCES

3.1 The proposed MTCP requires approximately £86m of prudential borrowing to support it with about £75m of this for the Otterpool Park scheme. Ordinarily the investment in Otterpool Park would put a significant pressure on the General Fund budget for additional interest costs. However, the Council is capitalising its borrowing cost for expenditure on the land assembly for the site until the land is ready for its intended use. As the land is sold the Council can then look to repay its borrowing. Additionally, the Council is receiving a net rental income stream from some of the properties it has acquired to date. The borrowing cost to the Council for the planned loan investment in Otterpool Park LLP, the delivery vehicle for the project, will be covered by the accrued interest to be charged on the loan in the first instance.

3.2 Prudential borrowing is planned to be used to fund the following capital schemes where the Council will receive a net revenue benefit after allowing for interest costs:

Scheme	Borrowing £'000
Princes Parade Leisure & Housing	7,257
Otterpool Park	74,508
Oportunitas Phase 2 Funding	2,470
Waste Contract Vehicles Funding	274
Temporary Accommodation	107
Coast Drive Seafront Development	883
Coastal Park Toilets & Concession	147
Total	<u>85,646</u>

3.3 The borrowing cost to the Council for the Princes Parade scheme during the construction phase will be capitalised and has been factored into the proposed capital budget for the scheme. In the long term the annual capital financing cost for the scheme will need to be factored into its net revenue outcome.

3.4 The latest position regarding the Council's available capital receipts to fund capital expenditure is shown in the following table:

Capital Receipts Position Statement	£'000
Total receipts in hand at 30 November 2022	10,242
Less:	
Committed towards General Fund capital expenditure	(3,912)*
Committed towards HRA capital expenditure	(5,758)
Contingency for urgent or unforeseen capital expenditure	(500)
Balance available to support new GF capital expenditure	72

*Excludes Princes Parade

- 3.5 The Princes Parade Leisure and Housing scheme relies on the Council receiving about £26.6m in capital receipts from the sales of serviced land for housing development adjacent to the proposed leisure centre and from the disposal of the existing Hythe Pool site. The planned continued capital investment in the 'No Use Empty' joint initiative with Kent County Council and the Home Safe Loans scheme are to be met from investing repaid loans from previous tranches of these schemes.
- 3.6 Additionally, the Council's continuing prudent financial management means it is able to use its other internal resources (cash reserves and balances) to fund the MTCP that is not already met from external grants and contributions without resorting to new borrowing. The table below summarises the council's revenue resources of £4.095m committed towards funding the MTCP.

Revenue Resources to Fund the MTCP	£'000
Vehicle, Equipment and Technology Reserve	699
Economic Development Reserve	1,389
Climate Change Reserve	798
Carry Forward Reserve	164
General Reserve	1,045
Total	4,095

- 3.7 This level of capital investment will be a significant draw upon the Council's available reserves and balances and it is unlikely this could be repeated in the future. For this reason it is important that a thorough and robust assessment is undertaken for the new major capital investment proposals to ensure best use of the Council's limited financial resources.

4. CONCLUSIONS

- 4.1 The MTCP has been reviewed and updated in accordance with the approved budget strategy for 2023/24.
- 4.2 The revenue consequences of the MTCP are reflected in the Council's General Fund budget and Medium Term Financial Strategy.
- 4.3 The proposed General Fund MTCP requires a substantial level of prudential borrowing to fund it. The impact to the General Fund of this will be mitigated through a combination of capitalising interest costs where permissible, charging interest to third parties on capital loans met from borrowing and generating additional net revenue streams from capital investments met from borrowing.
- 4.4 The level of new capital investment in the proposed MTCP will be a significant draw upon on the Council's available reserves and balances and is unlikely to be repeated in the future. Future major capital investment initiatives are likely to require further prudential borrowing to help fund them.
- 4.5 Cabinet is asked to recommend full Council to approve the changes to the MTCP outlined in this report to reflect the latest projected outturn shown in appendix 1 to this report.

5. RISK MANAGEMENT ISSUES

- 5.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Capital resources not available to meet the cost of the new projects.	High	Low	Schemes or elements of those schemes relying on future capital receipts or external grants and contributions will not commence until an agreed disposal plan or funding agreement is in place.
Cost of new projects may exceed the estimate	High	Medium	A review of existing approved capital schemes has been undertaken as part of the update to the MTCP to assess the impact of

			current inflationary pressures affecting construction and engineering sector. Capital monitoring procedures in place allowing prompt early action to be taken to manage the risk effectively.
Expenditure planned to be met by grant is ineligible under the terms of the funding agreement	High	Low	Prior to commitments being made the project manager to agree in advance grant eligible expenditure with the funding body.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (TH)

There are no legal implications arising directly out of this report. Part 1 of the Local Government Act 2003 gives the Council the power to borrow and to invest for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs. It also requires the Council to act prudently when carrying out these activities, including an obligation to determine and keep under review how much money it can borrow. In addition, the Council is required by the Local Government Finance Act 1992 to produce a balanced budget. Generally the Council must take into account its fiduciary duties to local tax payers and its continuing obligation to ensure it has the funding required to perform its statutory undertakings.

6.2 Finance Officer's Comments (LW)

This report has been prepared by Financial Services. There are no further comments to add.

6.3 Diversities and Equalities Implications (DA)

The report does not cover a new service/policy or a revision of an existing service or policy therefore does not require an EIA.

6.4 Climate Change Implications (AT) *[Pilot reporting period]*

There are no climate change implications arising directly from this report. It updates Cabinet on this position following decisions taken at Cabinet and Full Council. Climate change implications of the various projects referenced

in the report will be assessed as part of the development and implementation phases of those projects through the appropriate decision-making process.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Lee Walker, Capital and Treasury Senior Specialist

Tel: 01303 853593. e-mail: lee.walker@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

None

Appendix:

- 1) Proposed General Fund MTCP to 2027/28

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Appendix 1 - General Fund Medium Term Capital Programme to 2027/28												
Item No.	Service Area and Scheme	Latest Approved MTCP Budget £'000	Latest Projection 2022/23 £'000	Latest Projection 2023/24 £'000	Latest Projection 2024/25 £'000	Latest Projection 2025/26 £'000	Latest Projection 2026/27 £'000	Latest Projection 2027/28 £'000	To Be Determined £'000	Total Projection 2022/23 - 2027/28 £'000	Variance Budget to Projection £'000	Comments
	Andy Blaszkowicz - Operations											
1	Coast Protection - Coronation Parade, Folkestone	749	749	0	0	0	0	0	0	749	0	Planned works to strengthen cliff face along Coronation Parade (externally funded)
2	Coast Protection - Coronation Parade annual monitoring	20	4	4	4	4	4	4	0	24	4	Scheme externally funded by the Environment Agency and extended by one year to 2027/28.
3	Coast Protection - Greatstone Dunes Management & Study	75	15	15	15	15	15	15	0	90	15	Annual programme funded by Environment Agency extended by one year to 2027/28.
4	Coast Protection - Hythe to Folkestone Beach Management	1,071	497	455	455	0	0	0	0	1,407	336	Environment Agency (EA) agreed additional £336k for scheme to meet the cost of using white rather than red diesel in vehicles and plant for works. Scheme entirely funded by EA
5	Royal Military Canal footpath enhancements	100	20	20	20	20	20	0	0	100	0	10 year annual programme from 2017/18 to 2026/27
6	Lifeline Capitalisation	250	70	70	70	70	70	70	0	420	170	Annual programme to purchase new and replacement units for fee-earning service increased by £20k per annum, including 2022/23, and extended by one year to 2027/28
7	Public Toilet Enhancement Programme	291	191	100	0	0	0	0	0	291	0	Pleydell Gardens, Folkestone and High Knocke, Dymchurch completed in 2022/23
8	Parking Services - Upgrade of Payment Options	75	75	0	0	0	0	0	0	75	0	Scheme on target
9	Biggins Wood Site Land Remediation Works	2,680	1,316	1,364	0	0	0	0	0	2,680	0	Works, partly funded by Homes England grant of £1.016m, to remediate and provide site infrastructure to be completed by summer 2023 ahead of its planned disposal for commercial and housing development
10	Ship Street Site Folkestone (GF Element)	426	426	0	0	0	0	0	0	426	0	Professional fees for design cost to support planning application (General Fund element only)
11	Princes Parade Leisure & Housing Development	42,616	1,528	250	0	0	0	0	40,838	42,616	0	Cabinet decision 14/12/2022 to do just the necessary works to implement the existing planning permission while the operational delivery of the project is paused.
12	Electric Vehicle Charging Points	40	0	40	0	0	0	0	0	40	0	Scheme now expected to commence in the Spring of 2023 and will take place once the installation of EV charging points to the Council's car parks is completed.
13	District Street Lights	745	745	0	0	0	0	0	0	745	0	Phase 1 of scheme to upgrade street lighting columns for KCC to adopt completed costing £392k. However, originally anticipated to upgrade 321 columns but increased to 464 during process at an additional cost of £153k. Phase 2 to upgrade mainly wooden pole-mounted lights on hold while budget position considered.

Item No.	Service Area and Scheme	Latest Approved MTCP Budget £'000	Latest Projection 2022/23 £'000	Latest Projection 2023/24 £'000	Latest Projection 2024/25 £'000	Latest Projection 2025/26 £'000	Latest Projection 2026/27 £'000	Latest Projection 2027/28 £'000	To Be Determined £'000	Total Projection 2022/23 - 2027/28 £'000	Variance Budget to Projection £'000	Comments
14	Coast Drive Seafront Development	883	94	789	0	0	0	0	0	883	0	Preliminary costs to support planning consent. The main works are now expected to take place during the spring and summer of 2023.
15	Coastal Park Play Equipment	62	62	0	0	0	0	0	0	62	0	Scheme on target to be completed in 2022/23
16	Coastal Park Toilet and Concession	147	50	97	0	0	0	0	0	147	0	Contract awarded but discussions with utility companies have delayed scheme and now due to be completed by the early summer of 2023, budget partly reprofiled to 2023/24
17	East Cliff Landfill Protection (FPPG Charity)	1,200	0	1,200	0	0	0	0	0	1,200	0	No decision has been taken yet to progress this scheme and it is likely this will be referred back to the Charity Trustees for their consideration in the near future.
18	Hawkinge Depot Upgrade	75	0	150	0	0	0	0	0	150	75	Growth item of £75k meaning the scheme budget is now £150k, reflecting an enhanced specification and higher costs to deliver the scheme, now planned for 2023/24
19	Replacement Asset Management System	60	60	0	0	0	0	0	0	60	0	May be delayed due to further discussions needed on requirements
20	Radnor Park Footpath Resurfacing (FPPG Charity)	40	40	0	0	0	0	0	0	40	0	Council funding to support scheme, on target to spend
21	The Stade, Folkestone Rental Huts	100	100	0	0	0	0	0	0	100	0	Project has been delayed due to planning constraints and may not be completed until 2023/24
22	Additional Toilet Cleaners Vans	20	33	0	0	0	0	0	0	33	13	2 vehicles ordered and additional cost to be met from saving on Park Keeper's Van budget
23	Replacement Park Keeper's Vehicle	40	27	0	0	0	0	0	0	27	(13)	Ordered. Saving used towards additional cost for Toilet Cleaners vans
24	Play Area Equipment (COMF)	176	164	0	0	0	0	0	0	164	(12)	The three schemes at Oak Drive, St Mary's Bay, Morehall Recreation Ground, Folkestone and Cheriton Recreation Ground, Folkestone have been completed. £12k saving on Cheriton Recreation Ground. Scheme externally funded
25	Units 1-5 Learoyd Road New Romney	196	0	196	0	0	0	0	0	196	0	Contract planned to be let in early 2023 with the works to commence from spring 2023 so expenditure reprofiled to 2023/24
26	Connect 38 CAT A Works	240	0	240	0	0	0	0	0	240	0	The budget is provided to allow adaptations to be made to the layout of the unused office space in the building to accommodate new tenants. Although there are currently no planned works, the position is subject to change. Budget reprofiled to 2023/24
27	Funding of Folkestone Coastal Park Play Area Refurbishment (FPPG Charity)	0	0	40	0	0	0	0	0	40	40	Growth - funding for full redesign and refurbishment of the existing accessible play area
28	Replacement of HI-AB Crane	0	0	75	0	0	0	0	0	75	75	Growth - to support grounds maintenance and operations services (up to 18-24 month lead-in time)
29	Staff Welfare Facilities New Romney Depot	0	0	7	0	0	0	0	0	7	7	Growth

Item No.	Service Area and Scheme	Latest Approved MTCP Budget £'000	Latest Projection 2022/23 £'000	Latest Projection 2023/24 £'000	Latest Projection 2024/25 £'000	Latest Projection 2025/26 £'000	Latest Projection 2026/27 £'000	Latest Projection 2027/28 £'000	To Be Determined £'000	Total Projection 2022/23 - 2027/28 £'000	Variance Budget to Projection £'000	Comments
30	Leas Cliff Hall Car Park - CCTV	0	0	13	0	0	0	0	0	13	13	Growth
31	Replacement Tractor	0	0	85	0	0	0	0	0	85	85	Growth - Grounds Maintenance
32	Replacement Cherry Picker Vehicle and Trailer	0	0	100	0	0	0	0	0	100	100	Growth - Grounds Maintenance new vehicle required to ensure compliance with health and safety legislation
33	Replacement Weed Barge	0	0	85	0	0	0	0	0	85	85	Growth - Grounds Maintenance Royal Military Canal essential to prevent the spread of invasive species on the waterway to comply with environmental regulations
34	Replacement Sports Mower (East Cliff Area)	0	0	9	0	0	0	0	0	9	9	Growth - Grounds Maintenance essential to ensure sports pitches are maintained to required standard for fee-earning service
35	Replacement Transit Van	0	0	28	0	0	0	0	0	28	28	Growth - Grounds Maintenance (Housing Estates)
	Total - Operations	52,377	6,266	5,432	564	109	109	89	40,838	53,407	1,030	
	Amandeep Khroud - Governance, Law and Service Delivery											
36	Electoral Management System	9	9	0	0	0	0	0	0	9	0	
37	Migrate IKEN Legal System to Cloud Hosted Service	0	0	18	0	0	0	0	0	18	18	Growth
	Total - Governance, Law and Service Delivery	9	9	18	0	0	0	0	0	27	18	
	Ewan Green - Place											
38	Otterpool Park Garden Town	75,033	9,359	24,407	32,160	9,107	0	0	0	75,033	0	Further land and property assembly and funding of Otterpool Park LLP to deliver the infrastructure for the scheme
39	Waste Contract - Acquisition of Vehicles and Equipment	274	29	0	245	0	0	0	0	274	0	Further planned purchases of vehicles and equipment for the Waste contract with Veolia contributing towards an annual net saving of £100k to the General Fund
40	Mountfield Road Industrial Estate Phase 2	478	478	0	0	0	0	0	0	478	0	Remaining site infrastructure and services work to 5 hectare site to enable the development of employment spave for up to 450 jobs. Entirely funded from SELEP grant
41	Area Officer Vans	30	30	0	0	0	0	0	0	30	0	Vehicle planned to be acquired in early 2023
42	CLLD ERDF Capital Projects	907	867	40	0	0	0	0	0	907	0	Scheme entirely funded from European Regional Development Fund (ERDF) grant.

Item No.	Service Area and Scheme	Latest Approved MTCP Budget £'000	Latest Projection 2022/23 £'000	Latest Projection 2023/24 £'000	Latest Projection 2024/25 £'000	Latest Projection 2025/26 £'000	Latest Projection 2026/27 £'000	Latest Projection 2027/28 £'000	To Be Determined £'000	Total Projection 2022/23 - 2027/28 £'000	Variance Budget to Projection £'000	Comments
43	Rural England Prosperity Fund Capital Grants Scheme	0	0	143	428	0	0	0	0	571	571	Growth - capital grants scheme funded entirely by Government as part of their Levelling Up agenda supporting local businesses and communities
44	UK Shared Prosperity Fund Capital Grants Scheme	0	50	100	350	0	0	0	0	500	500	Growth - capital grants scheme funded entirely by Government as part of their Levelling Up agenda supporting local businesses, people and skills
	Total - Place	76,722	10,813	24,690	33,183	9,107	0	0	0	77,793	1,071	
	Gill Butler - Housing											
45	Empty Properties Initiative (KCC) - Loans to landlords	1,500	300	300	300	300	300	300	0	1,800	300	Joint scheme with KCC to return empty properties to residential use. Budget met from repaid loans from previous years. Scheme extended by one year to 2027/28
46	Temporary Accommodation (invest to save)	107	107	0	0	0	0	0	0	107	0	Residual budget for acquisition and refurbishment of properties to provide temporary accommodation for homeless households. Officers are currently seeking a further suitable acquisition opportunity to complete during 2022/23.
47	Disabled Facilities Grants (DFGs) & Loans	5,000	1,000	1,000	1,000	1,000	1,000	1,000	0	6,000	1,000	Scheme met entirely from Government grant and extended by one year to 2027/28.
48	Home Safe Loans	548	148	100	100	100	100	100	0	648	100	Scheme largely funded from repaid loans from previous years but any additional expenditure can be met from Government grant towards DFGs. Scheme extended by one year to 2027/28
	Total - Housing	7,155	1,555	1,400	1,400	1,400	1,400	1,400	0	8,555	1,400	
	Charlotte Spendley - Corporate Services											
49	PC Replacement Programme	175	35	35	35	35	35	35	0	210	35	Scheme extended by one year to 2027/28
50	Server Replacement Programme	300	60	60	60	60	60	60	0	360	60	Scheme extended by one year to 2027/28
51	ICT improvement costs (externally hosted Revenues & Benefits system)	314	314	0	0	0	0	0	0	314	0	Migration of Revenues and Benefits including the replacement of the Civica document management system, to externally cloud hosted service.
52	Website CMS replacement	130	130	0	0	0	0	0	0	130	0	Replacement of Content Management System

Item No.	Service Area and Scheme	Latest Approved MTCP Budget £'000	Latest Projection 2022/23 £'000	Latest Projection 2023/24 £'000	Latest Projection 2024/25 £'000	Latest Projection 2025/26 £'000	Latest Projection 2026/27 £'000	Latest Projection 2027/28 £'000	To Be Determined £'000	Total Projection 2022/23 - 2027/28 £'000	Variance Budget to Projection £'000	Comments
53	Folkestone & Hythe Green Business Grant Scheme	250	50	200	0	0	0	0	0	250	0	Part of the Council's Climate Change response initiative
54	FHDC Transformation	105	105	0	0	0	0	0	0	105	0	
55	Oportunitas Loan and Share Capital Phase 2	2,470	1,500	970	0	0	0	0	0	2,470	0	Remaining funding to support the acquisition of 37 residential units of accommodation for rent at the site of the former Royal Victoria Hospital in Radnor Park Avenue, Folkestone. Phase 2 to be completed in the autumn 2023
56	Upgrade eFinancials Financial Ledger System to Cloud Hosted Service	0	0	70	0	0	0	0	0	70	70	Growth
	Total - Corporate Services	3,744	2,194	1,335	95	95	95	95	0	3,909	165	
	Total General Fund Medium Term Capital Programme	140,007	20,837	32,875	35,242	10,711	1,604	1,584	40,838	143,691	3,684	
	Capital Funding											
57	Government Grant	(11,303)	(4,089)	(2,157)	(2,252)	(1,019)	(1,019)	(1,019)	0	(11,555)	(252)	
58	Other External Contributions	(9,835)	(780)	(384)	0	0	0	0	(8,659)	(9,823)	12	
59	Capital Receipts	(31,557)	(2,340)	(2,032)	(400)	(400)	(400)	(400)	(26,600)	(32,572)	(1,015)	
60	Revenue Contributions	(3,041)	(1,486)	(1,789)	(185)	(185)	(185)	(165)	(100)	(4,095)	(1,054)	
61	Borrowing	(84,271)	(12,142)	(26,513)	(32,405)	(9,107)	0	0	(5,479)	(85,646)	(1,375)	
	Total Funding	(140,007)	(20,837)	(32,875)	(35,242)	(10,711)	(1,604)	(1,584)	(40,838)	(143,691)	(3,684)	

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