

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)	