

APPENDIX A

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

| 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 | Community Outbreak Management Grant (COMF)Funding from Earmarked reserves and has 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) | Additional 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 | |
| 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) - offsets revenue funding of capital |
| 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 savings |
| Total - Place | 5,442 | 5,295 | 5,202 | (241) | |

| SERVICE DEPARTMENTS & TEAMS | Latest Approved Budget | Qtr 2 Projected Outturn | Qtr 3 Projected Outturn | Variance | BRIEF EXPLANATION OF VARIANCE |
|--|------------------------|-------------------------|-------------------------|--------------|---|
| <u>Economic Development</u> | | | | | |
| High Street Innovation Fund Memorandum note - £387k from reserves funds the variance on the line above | 421 | 810 (387) | 810 (387) | 389 (387) | High street innovation fund - Funded from carry forward reserves from 2021/22 |
| Total - Economic Development | 421 | 423 | 423 | 2 | |
| <u>Planning</u> | | | | | |
| Building Control | (292) | (247) | (223) | 69 | Reduced income £20k based on lower income levels than 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 planning performance agreements (£110k), Nutrient Neutrality (£30k) Planning performance agreements (£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 | |
| <u>Operataions</u> | | | | | |
| Community Parks & Open Spaces Memorandum note - £150k from reserves part funds the variance on the line above | 852 | 1,018 (150) | 1,023 (150) | 170 (150) | £30.5k increased waste contract recharges (see GM14 for full description); £150k Dowry payments for play areas; (£10k) increased rental income |
| 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 Memorandum note - £217k from reserves part funds the variance on the line above | 179 | 389 (217) | 375 (217) | 196 (217) | Projections includes £217k for Customer Access Point; Additional income (£10k) from increased rent; (£14k) maintenance budget projected underspend |
| Total - Operations | (632) | (482) | (733) | (101) | |
| <u>Housing</u> | | | | | |
| 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 - all departments | -195 | 0 | 0 | 195 | Vacancy factor reflected in the service areas |

| SERVICE DEPARTMENTS / TECHNICAL BUDGET SECTIONS | Latest Approved Budget | Qtr 2 Projected Outturn | Qtr 3 Projected Outturn | Variance | BRIEF EXPLANATION OF VARIANCE |
|--|------------------------|-------------------------|-------------------------|----------------|--|
| 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 |
| 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 main variance 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) | |