

GENERAL FUND

Significant budget variances and reasons for them are detailed below:

Staffing vacancy factor

The vacancy savings factor has been set at £250,000 for the year. It is now projected that by the end of the year vacancy savings will be around £530,000. The vacancies are across various teams but vacancies have been higher in Environmental Health this year as the new posts in the structure are being recruited to and contract support staff have been mainly focused on Covid-related grant funded work.

Inflation allowance

Each year a global sum is set aside within the budget for inflation increases and for 2021/22, this is set at £140,000. Throughout the year, as and when annual increases in contracts/annual payments are determined, virements are actioned to the appropriate budget headings from the set aside sum. The first major draw on the allowance this year was the increase for the waste management contract, effective from 1 July 2021, which amounted to £60,140. To date £75,360 has been used in total and it is expected that further calls on the allowance may be required this year as inflation continues to increase at a rate higher than envisaged this time last year.

Support to other funds

This figure measures the expected level of support of General Fund staff and resources to the Housing Revenue Account. Based upon current estimates of staff time and work allocation this amount is expected to be £95,000 higher than the budget.

Government Fees and Charges Compensation Scheme

The Government's fees and charges compensation scheme ceased as at 30 June and where appropriate the Council has made a claim for reduced income, however as for the 2020/21 scheme, the Council has to bear a proportion of the loss. Local authorities cannot claim for localised decisions on changes to charging policies. The total amount claimed is just over £50,000.

Environmental Initiatives

The environmental initiatives budget of £70,000 was introduced in the 2020/21 financial year, however the planning and undertaking of the work has been delayed due to COVID 19. As for the previous financial year, it is proposed to ring fence any unspent budget for future use.

Community and Growth

Land and Properties Rents

Rental income is projected to exceed its budget of £261,000 by £36,000 due to the unbudgeted extension of a temporary lease at the Stone Lodge site.

The Orchard Theatre

The annual payment to The Orchard Theatre is budgeted at £375,000 to include a reduction related to agreed capital works expenditure. This reduction was deferred in 2020/21 and has been extended until 31 August 2021. The anticipated payment for this year is now £403,310.

The profit share income budget of £45,000 will not be forthcoming this financial year, however a claim has been made under the Government's fees and charges compensation scheme for £8,400. .

The overall overspend this year is expected to be £62,410.

Fairfield Leisure Centre

The Council's contract with the external service provider would normally generate an annual income of £610,600. The Centre has now reopened and has provided a full range of services from July 19 2021but it is still building up user numbers as post pandemic confidence grows.

The Council received £202,000 from the operator for the period up to the end of December 2021. It is expected that income will increase as the year progresses and business builds.

The reduced income was reflected in the last scheduled claim for compensation for lost income from fees and charges for the first quarter of 2021/22 and £43,000 is expected for this. Grant income from Sports England £131,000 is also receivable. There is an expected underachievement of income this financial year of £153,000.

Special Events

The net current budget for special events is £130,900 and comprises of two elements, the Dartford Festival and the Summer Sizzlers campaign.

The Summers Sizzlers expenditure budget has been used to grant fund activities at the Healthy Living Centre this financial year.

The Council assessed the risks involved with staging Dartford Festival in 2021 and concluded that it would not be sensible to go ahead, in light of the ongoing pandemic and lockdown conditions. This proved correct when lockdown was extended to July 19th 2021, the Monday after festival weekend. In addition, the staff responsible for the Festival were heavily involved with the Council's response to the pandemic and so would not have been available to deliver the Festival. The underspend for the year is £126,100

Markets

Dartford's Thursday and Saturday Markets have been severely impacted by the Covid-19 restrictions and the Market Street/High Street public realm improvement works. Rent charges for permanent and regular casual traders have remained suspended throughout the year. There is a small income stream, projected at £17,000, associated with new casual traders. Overall, it is anticipated there will be a net overspend of £152,450 for the year.

Corporate Services

Land Charges

The income budget for land charges for this financial year is £80,000 and as if current income levels remain similar, it is possible that income of £120,000 could be achieved.

Council Tax

The Council Tax service budgets are expected to show an underspend of £310,000. Courts reopened earlier in the year and with the backlog in cases, it is expected that the year's income will be in the region of £550,000, which is £110,000 over budget. There have been some vacancies across the joint service delivery arrangements between the Council and Sevenoaks District Council, which is likely to produce savings of £28,000. An additional unbudgeted grant is due from Kent County Council for £114,530 for an Empty Homes Premium. Other variances include an upward revision of both Government and other Kent County Council grants, amounting to £44,000 with balance attributable to lower running expenses.

Benefits

During the year 2021/22, the number of cases changing to universal credit continued to rise. Therefore, expenditure is likely to be lower than previous levels.

In the past, the combination of the subsidy arrangements and overpayment recovery have often led to a net income position. This is still expected but it is likely that the total net income received will be lower by around £150,000.

The overall figures will also be affected by the subsidy claim audit, which takes place over the autumn/winter, as adjustments are sometimes necessary. Last year's audit was concluded without significant adjustments and it is expected that the 2020/21 audit will have the same result.

Eltham Crematorium

An estimate of £123,110 for the crematorium income distribution payment was included within the 2021/22 budget based on previous years' distributions. The latest available information is indicating a potential distribution payment of £149,000.

Investment Income

An additional £1.4m is expected to be received this financial year. A prudent investment income budget was set at a time of significantly low interest rates and when the world economy was still responding to the impacts of Covid-19. Whilst liquidity investment rates have remained extremely low at around 0.01% and therefore internally managed investment returns have been low, the externally managed pooled funds have achieved greater income returns than would have been expected, achieving an annualised rate to the end of September of 3.71%. It would seem reasonable at this stage to assume a similar level of return for the rest of the year. £1.87m of investment income had been received by the end of December 2021 and a further £0.31m declared and due to be received in the next few months. An outturn of £2.65m is predicted subject to similar market conditions.

Housing and Public Protection

Licensing

The service is expected to have a net overspend of £23,000. The total income budget for licensing is £144,500 with a current projection of £119,350.

The number of private hire and hackney carriage licence renewals are still low compared to previous years. Many drivers who did not renew during the pandemic have not returned to working as licensed drivers. The projected outturn is £40,000 against the budget of £57,500

Licensing has seen an increase in temporary events compared to last year and changes to licences following the lifting of restrictions. The majority of general licensing income is generated during the November annual fee collection. The projected outturn for general and scrap dealer licensing is £76,000 against the budget of £87,100.

Additionally a further £3,500 has been claimed under the Government's fees and charges compensation scheme for vehicle licensing.

Environmental Health

Following the disengagement of the Environmental Health service from the joint working arrangements with Sevenoaks District Council, the service continues to settle down and with a later implementation date than was initially budgeted for in some areas, it is expected to produce savings of £31,000. These savings are largely associated with staff related budgets such as car allowances, training and minor project work. A small grant from the Food Standards Agency of £3,750 for inspection work has been received to offset officer time and some budgeted contractor costs are unlikely to be used in this area of the service this year.

Temporary Accommodation

As in the previous year the Housing team have worked extremely hard to accommodate rough sleepers, and others in the need of emergency housing post the last COVID-19 lockdown to ensure the Council provided temporary accommodation all those that needed it, and that has inevitably led to expenditure on nightly paid accommodation to continue to be considerably higher than has been seen before. The expected net overspend is around £274,000.

The additional initial costs expended on emergency nightly paid accommodation have continued due to a lack of movement in the overall market-reduced availability of move on accommodation.

During this difficult period the Housing team has continually developed innovative ideas to attempt to control costs and has successfully bid for, and received, emergency grants from the DLUHC¹ (formerly MCHLG) to mitigate the impact of these unbudgeted costs and work in both areas continues. Grants are significantly higher this year and include the Homeless Prevention grant, the Emergency Accommodation portion from the Rough Sleepers Initiative and the Contain Outbreak Management Fund grants from DLUHC and KCC.

Looking forward it is felt that the costs for nightly paid accommodation have peaked, but given earlier pressures the budget will inevitably be significantly overspent in 2021/22.

The overspend figure has reduced from the previous projection as it has been identified, whilst preparing for year end that some payments initially included in the projection relate to next year as property rents are sometimes paid in advance.

¹ Department for Levelling Up, Housing & Communities