

Budget Monitoring Report No.2, 2021-22

Council	12 January 2022
Report Author	Chris Blundell, Director of Finance and Acting s151 Officer
Portfolio Holder	Cllr David Saunders, Portfolio Holder for Finance
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Ward:	All Wards

Executive Summary:

This report presents budget additions and amendments for Council approval, which have been recommended by Cabinet following the receipt of the second 2021-22 budget monitoring report for Quarter Two by Cabinet on 18 November 2021.

Recommendation(s):

1. Approval a one-off 2021-22 supplementary General Fund revenue budget of £60,000, for legal costs associated with a Private Sector Housing unlawful eviction case, to be funded from the Risk Management reserve;
2. Approval the 2021-22 supplementary capital budgets, as set out in section 3.1 and Annex 2; and
3. That a £897,000 supplementary HRA revenue budget be approved for 2021-22, for the deployment of a waking watch service at the five tower blocks period until fire alarm sounders are installed at each site, to be funded from HRA balances.

Corporate Implications

Financial and Value for Money

The financial implications have been reflected within the body of the report.

Legal

Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to monitor and control the Council's finances in order to provide a balanced budget.

Corporate

Corporate priorities can only be delivered with robust finances and this report gives Members the opportunity to review the Council's current position.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

There are no direct equality implications arising from this report, however the delivery and implementation of and budgetary changes will consider this as part of the budget setting process and be reported to members in due course.

It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration had been given to the equalities impact that may be brought upon communities by the decisions made by Council.

Corporate Priorities

This report relates to the following corporate priorities: -

- Growth
- Environment
- Communities

1. Introduction

- 1.1. The Council's constitution requires that supplementary budgets must be approved by Council. In other words, only Council can agree to the overall size of the budget for the year to be increased.
- 1.2. The Quarter 2 Budget Monitoring report was received by Cabinet on 18 November 2021, within which a Cabinet agreed for a number of additions to the budgets to be recommended to Council for approval. This budget monitoring report is included at Annex 1 for reference.
- 1.3. The following sections set out the details of these budget amendments for Council approval.

2. General Fund Revenue Supplementary Budget Requests

- 2.1. A supplementary revenue budget of £60,000 has also been requested for legal costs associated with a complex Private Sector Housing unlawful eviction case. It may be possible for some of these to be recovered from the accused, if the Council is successful with this prosecution and the court deems that action appropriate. In the interim it is proposed that the costs are underwritten in full with a contribution from the Risk Management reserve £60,000.
- 2.2. Consequently, it is recommended a one-off £60,000 supplementary General Fund revenue budget be approved for 2021-22 only, to be funded from the Risk Management Reserve.

3. General Fund Capital Programme Additions 2021-22

3.1. It is proposed that the following changes to the capital programme be approved, as per recommendation 2 to this report.

- 1) **Covid Response:** Increase the budget by £72,000 (for electronic signage), which is externally funded.
- 2) **Ramsgate Harbour - Toilet Cabin at Outer West Marina:** £25,000 budget addition, externally funded from Brexit grant monies.
- 3) **Ramsgate Port - Transformer:** £60,000 budget addition, externally funded from Brexit grant monies.
- 4) **Homelessness Accommodation:** A £130,000 budget increase is required for the Foy House project following the completion of the procurement process. This additional spend can be fully funded from housing capital receipts;
- 5) **Ellington Park:** Increase the budget by £69,000, which is externally funded; and
- 6) **Community Parks from Contain Outbreak Management Fund (COMF):**
On 9 November 2021 the Council was notified of a £211,280 allocation from KCC from their COMF funding to be spent on community parks within the district. The funding must be spent by 31 March 2022 to deliver any of the below:
 - New children's play equipment in a community park that previously did not have children's play equipment
 - Enlarging children's play equipment in a community park
 - Refurbish existing children's play equipment in a community park
 - New outdoor seating/tables in a community park to create places for people to meet outside

The funding provided cannot be used to purchase or refurbish outdoor gym equipment.

Given the short timeframe appropriate schemes will be considered at pace and consequently, it is recommended that at this stage a high-level 'Community Parks' scheme is added to the 2021-22 Capital Programme, which can then set out in more detail as the specifics of the scheme(s) selection and design is determined at a later date.

4. Housing Revenue Account (HRA)

- 4.1. Five tower blocks are currently awaiting external wall insulation to be replaced with a fully non-combustible system. Following review of the fire break surveys by Kent Fire and Rescue, the advice is that a temporary simultaneous evacuation strategy is adopted until the wall insulation is removed, replacing the existing stay-put arrangements.
- 4.2. The advice also recommends that we deploy a waking watch service at these blocks during this period until fire alarm sounders are installed in each flat. However this additional provision comes at a cost of £897,000 for 2021-22.

- 4.3. It is recommended that a £897,000 HRA supplementary be approved to facilitate this programme of work, to be funded from HRA balances.

Contact Officer: *Matthew Sanham*

Reporting to: *Chris Blundell, Director of Finance and acting Section 151 Officer*

Annex List

Annex 1 Budget Monitoring Report presented to Cabinet on 18 November 2021

Annex 2 GF Capital Programme

Annex 3 HRA Capital Programme

Background Papers

Budget monitoring papers held in Financial Services

Corporate Consultation

Finance: *N/A*

Legal: Estelle Culligan, Deputy Monitoring Officer