

**Classification: Public**

**Key Decision: No**

## **Gravesham Borough Council**

**Report to:** Finance and Audit Committee

**Date:** 13 February 2023

**Reporting officer:** Assistant Director (Corporate Services)

**Subject:** General Fund Budget Monitoring Report  
2022/23 – Quarter Three

### **Purpose and summary of report:**

To provide Members with information on actual performance against the approved Revenue and Capital budgets for 2022/23, including projected variances agreed or identified through budgetary control activity.

To update Members on other key areas of financial performance that may impact on the Council's Medium Term Financial Strategy, Medium Term Financial Plan (MTFP), or Financial Statements.

### **Recommendation:**

1. This report is for information only

<b>Key Implications:</b>	
<b>Item</b>	<b>Implications</b>
<b>Legal</b>	There are no specific legal matters arising from this report
<b>Finance and Value for Money</b>	The financial implications are contained within the body of the report
<b>Corporate Plan</b>	Strategic Objective #3 Progress; Sound Financial Management & Successfully Managing Key Business Risks
<b>Climate Change</b>	No direct implications

## **1. INTRODUCTION**

- 1.1. The Constitution of the Council requires Members to receive reports in respect of the Council's finances and financial performance. This report therefore provides an

assessment of performance against approved budgets for the 2022/23 financial year for the third quarter to 31 December 2022, as well as updating Members on other key areas of financial performance.

- 1.2. The Council continues to operate robust budgetary control actions to ensure good financial governance and respond to the pressures on the Council's finances. In addition to the reporting of financial performance through regular budget monitoring reports, these actions include:
  - Requiring all financial decisions and major acquisitions to be brought to Management Team for discussion and approval;
  - Appropriate controls in approving purchase orders;
  - Monitoring the delivery of activity under the Medium Term Financial Strategy (MTFS).
  - Requiring all recruitment activity to be considered and approved by Management Team.

## **2. EXECUTIVE SUMMARY**

### **Revenue**

- 2.1. Significant projected movements against budget during Quarter Three are detailed in the report, with the most notable items falling in the "All Directorate" section relating to staffing costs, and Homelessness, within the Housing Directorate. The wider financial context is explored in section 3.11.
- 2.2. As reported in the 2021/22 Outturn Report, the Council ended the previous year in a favourable position, enabling budgets totalling £67,240 to be approved for carry forward into 2022/23.
- 2.3. The level of Working Balances at year-end is £9.51m, constituted of minimum working balances of £2.0m, the General Fund reserve of £3.25m and usable Working Balances of £4.26m.
- 2.4. Movements in the year are projected to result in a net decrease in earmarked reserves of £2.9m. Within this movement, £0.75m relates to a drawdown from the NNDR Collection Fund Equalisation Reserve and arises largely from Collection Fund accounting arrangements during 2021/22. Other significant movements include £0.38m within the Asset Enhancement Reserve, £0.33m within the DSO Vehicle Reserve, and £0.27m within the Decriminalisation Reserve, and relate to initiatives within the Capital Programme.

### **Capital**

- 2.5. The General Fund Capital Programme working budget is £79.55m, including £45.5m relating to The Charter, £8.9m for the St George's Centre, £7.9m for a New Leisure Centre, and a combined £6.95m relating to Property/Land Acquisition schemes. Actual spend, as at the end of Quarter three was £20.8m. Forecasted spend for 2022/23 as at Quarter 3 is £49.18m.

## **3. REVENUE**

### **3.1. Budget 2022/23**

- 3.2. The approved Original Budget Requirement for 2022/23 was £12,461,820, largely funded by a combination of retained Non-Domestic Rates, New Homes Bonus, and

Council Tax. Additionally, there was a requirement to use £1,453,370 of Usable Working Balances, in accordance with the Medium Term Financial Strategy, to produce an overall balanced budget. The MTFP as at the end of December is shown at appendix one.

- 3.2.1. The table below sets out the current assessment of performance against the Original Budget by Directorate, based on known and projected variances as at 31 December 2022.

Directorate / Budget Heading	Original Budget 2022/23 (£)	Forecast 2022/23 (£)	Variation 2022/23 (£)
All Directorate - Salaries	0	398,470	398,470
Chief Executive	188,270	188,270	0
Communities	3,677,440	3,912,570	235,130
Corporate Services	3,523,010	3,418,160	(104,850)
Environment	5,764,280	5,844,280	80,000
Housing	1,422,000	2,672,000	1,250,000
Items carried forward from 2021/22	0	67,240	67,240
Non-Directorate Specific	828,380	828,380	0
Interest and Investment Income	(814,240)	(1,189,240)	(375,000)
Government Grant Funding	(2,152,290)	(2,152,290)	0
Transfers to/ (from) reserves	(1,856,090)	(2,051,990)	(195,900)
Transfers to/ (from) balances	573,150	573,150	0
Transactions below the line	1,307,910	1,399,630	91,720
<b>BUDGET REQUIREMENT</b>	<b>12,461,820</b>	<b>13,908,630</b>	<b>1,446,810</b>
Business Rates Income	(2,701,820)	(2,701,820)	0
Council Tax Income	(7,592,170)	(7,592,170)	0
Parish Precepts	(471,860)	(471,860)	0
New Homes Bonus	(573,150)	(573,150)	0
Lower Tier & Services Grants	(337,380)	(337,380)	0
Transfers to/(from) the Collection Fund	667,930	667,930	0
Use of Working Balances	(1,453,370)	(1,453,370)	0
<b>BUDGET SHORTFALL/(UNDERSPEND)</b>	<b>0</b>	<b>1,446,810</b>	<b>1,446,810</b>

Table 1: General Fund Revenue Outturn by Directorate / Budget heading

### 3.3. ALL DIRECTORATE – £399k ADVERSE VARIANCE

- 3.2.1 The Council's original budget for 2022/23 included a projected for a general pay award of 2% for all staff. Following negotiations between the Local Government Organisation and the Unison, Unite and GMB Unions, agreement was reached in November, resulting in a basic salary increase on all scales of £1,925, plus an increase on other allowances of 4.04% for all grades up to Service Manager. When also factoring in the vacancy allowance of £450k already included within the staffing budget (anticipated to occur from natural turnover as well as posts held vacant pending the re-design of services), the budgetary impact for 2022/23 is projected to be an adverse variance of £399k.

### 3.4. CHIEF EXECUTIVE'S DIRECTORATE – NIL VARIANCE

- 3.3.1 There are no significant variances to report.

### 3.5. COMMUNITIES DIRECTORATE – £235k ADVERSE VARIANCE

- 3.5.1. **Energy Costs: £190k adverse variance** – Wholesale energy costs have significantly increased in the last year, with continuing volatility anticipated in the short to medium term. The energy requirements of the Council are procured through LASER Energy, which is part of the Commercial Services Group, a company wholly owned by Kent County Council.
- 3.5.2. LASER has mitigated against a large proportion of the market extremes through its flexible procurement approach by purchasing energy requirements for its customers in advance. However, prices remain substantially high and have recently increased in October 2022, with gas unit prices rising by 58%, and electricity day and night unit prices rising by 17% and 45% respectively. Prices are now fixed for 12 months, and although there is limited support available via the Government's Energy Bill Discount scheme, the longer term outlook is uncertain. Initial analysis indicates additional costs for 2022/23 of £190k; this will continue to be monitored closely during the current budget-setting process.
- 3.5.3. It should also be noted that although the majority of these costs relate to the Civic Centre building (including The Woodville), which falls within the Communities Directorate, other services/directorates are also impacted. For ease of reporting as of writing, projections are shown here, although at year-end this will be refined to show the actual outturn per service/directorate across the Council.
- 3.5.4. **Leisure Services: £45k adverse variance** – Similar to general energy costs, the Council's budget is also feeling the impact of rising energy costs through the Management Fee received from Gravesham Community Leisure Limited (GCLL). Earlier in the year, GCLL invoked the clause in its contract which places a legal obligation on the council to adjust the management fee should the unit cost of utilities rise. Following analysis by the Council's Finance Team, a reduction of £45k in the annual management fee for 2022/23 was agreed, with the situation continuing to be monitored over the coming months.
- 3.5.5. **Winter Light Festival: neutral variance** – During August, a funding application was made to the Arts Council England for monies to support the Council's Light Festival Programme. The bid has been successful with the Council due to receive £29,500 in grant funding to support this initiative. This funding enables the Council to grow the activity of the inaugural event last year to encourage greater participation and involvement.
- 3.4.6 The project will see the Council working with around 60 creatives/delivery partners, across nine locations and aims to be the beginning of a longer lasting legacy of Light Festivals on the Estuary. The project culminates with 2 evenings of light and creativity at the end of January that will draw footfall into the town centre, thereby supporting the local business community. Areas of focus are the High Street, Borough Market, St George's Arts Centre and gardens, the Pier, St Andrew's quayside and St Andrew's Arts Centre.

### 3.5 CORPORATE SERVICES DIRECTORATE – £105k FAVOURABLE VARIANCE

- 3.5.1 **Interest Payable: £105k favourable variance** – The Monetary Policy Committee (MPC) have continued to increase the Bank of England Base rate from an all-time low of 0.10% in December 2021 to the current rate of 3.5% and is expected to increase rates further to around 4.5% by the end of the financial year. This has pushed up borrowing rates to a level higher than was forecast at the time of setting the budget in February 2022 and considered earlier in 2022/23. However, due to delays in the delivery of

capital schemes being funded through borrowing where projects have either been re-phased into future years, or otherwise put on hold, the current forecast cost of borrowing to support the capital programme is a favourable variance of £105k. If projects do not progress in the final quarter as anticipated the need to borrow and the associated borrowing costs will reduce further.

3.5.2 **Document Management: Neutral variance** – The Council's "Enterprise" document management system is used across a number of Council departments, with key users being the Planning and Revenues and Benefits teams. A sum of £21k has been released from revenue grants not yet applied to facilitate the latest upgrade to the system, which brings it up to date with the security patches and support for the latest Microsoft technologies. Additionally, as the system is browser based, it reduces the software footprint installed on devices, and therefore helps support the Council's hybrid working practices.

### 3.6 **ENVIRONMENT DIRECTORATE – £80k ADVERSE VARIANCE**

3.6.1 **Fuel Costs: £80k adverse variance** – The Council operates over 120 vehicles in delivering a range of services to the residents of the borough. Fuel for vehicles is purchased at volume and stored at the Brookvale Depot site. Prices per litre have increased significantly over the last two years, from £0.88 per litre in March 2020, to £0.97 in March 2021 and £1.37 in March 2022. As at the end of December 2022, the price per litre of fuel was around £1.26. Given the pattern of price movements to date, it is anticipated that additional costs of around £80k will fall on the General Fund in 2022/23.

3.6.2 It should also be noted that although the majority of these costs relate to Waste Freighters and Street Cleansing vehicles within the Environment Directorate, other services/directorates are also impacted. For ease of reporting as of writing, projections are shown here, although at year-end this will be refined to show the actual outturn per service/directorate across the Council.

3.6.3 **Lower Thames Crossing Legal costs: Neutral variance** – Development consent granted by the Secretary of State for a Nationally Significant Infrastructure Project (NSIP) takes the form of a Development Consent Order (DCO). This combines a grant of planning permission with a range of other separate consents and the Secretary of State has scope to apply, modify or exclude legislation in a DCO. As the DCO is a very powerful document, the Council needs to understand what the DCO will be doing and whether that is acceptable to the Council, and if it is not, what can be changed and how. Those discussions will primarily be in a legal arena and specialist legal input is needed. Resultantly £50k has been released from the Lower Thames Crossing Reserve to facilitate this work.

3.6.4 **Cycling Infrastructure Plan: Neutral variance** – The Department for Transport has produced guidance on producing Local Cycling and Walking Implementation Plans, together with tools to help with the process and provide guidance on design standards. Local Authorities are expected to produce these plans setting out their priorities for routes for both walking and cycling, and priorities for their implementation. Funding for the work has been obtained from Kent County Council and National Highways Designated Funds, resulting in an overall neutral variance for the Council.

### 3.7 **HOUSING DIRECTORATE – £1,250k ADVERSE VARIANCE**

3.7.1 **Homelessness – Temporary Accommodation: £1,250k adverse variance** – There has been a steady increase of households requiring homeless advice and assistance.

Up to the end of Quarter 3, 1346 households made contact with the Council as they were homeless or in threat of becoming homeless within 56 days which represents a 13% increase to date compared to the same period the previous year. The numbers of households approaching the service at the point of crisis has put greater demand on the need for temporary accommodation where the local authority owes legal duties to secure accommodation. There are several factors that have impacted the Councils temporary accommodation figures including:

- Relationship breakdown between couples (nonviolent), families & friends causing exclusions
- The Domestic Abuse Act 2021
- Increase in private sector evictions (potential to increase with the Rent Reform Act as landlords struggle to meet obligations expected of them and therefore sell homes has seen a steady flow of customers presenting Section 8 and Section 21 Notices.
- The cost of living increases making lower income households challenged with meeting their housing costs when in receipt of benefits and unable to afford the Private Rental Market

3.7.2 Temporary accommodation options have been explored to find longer term solutions and officers are currently working to prepare a business case to introduce a not for profit Social Lettings Agency. A Social Lettings Agency approach would increase the possibility of securing private sector accommodation, managed by the agency and thereby, reduce the current reliance on night paid accommodation.

3.7.3 The Council has received £407,620 Homeless Prevention Grant from Central Government, which alongside the existing original budget of £50,000 is being used to finance the cost of temporary accommodation. Additionally, income is being received from housing benefit receipts, however there is a substantial expenditure pressure which based on existing patterns to date, is projected to result in a net adverse variance of £1,250k in 2022/23.

3.7.4 The Council has recently received notification of the Homeless Prevention Grant for 2023/24 from Government, which does not meet the projected service costs and the Leader of the Executive and the Cabinet Member for Housing Services have written to the Department for Levelling Up, Housing and Communities (DLUHC) to express their concern and disappointment at the grant awarded given the challenges and substantial expenditure pressures that the Housing Options Service face.

**3.8 ITEMS CARRIED FORWARD FROM 2021/22 – £67,240**

3.8.1 The following items from 2021/22 were approved for carry forward to 2022/23 by the Section 151 Officer and the Council's Management Team:

<b>Summary of General Fund 2021/22 year-end carry-forward requests</b>			
<b>Directorate</b>	<b>Service</b>	<b>Amount</b>	<b>Reason for carry-forward request into 2022/23</b>
Environment	Allotments	£5,850	Site clearance
Environment	Allotments	£3,500	Wooden fencing damaged during Storm Eunice was temporarily replaced, but now requires a permanent solution.
Communities	Safer Stronger Communities	£4,250	Grant funding from KPCC - approved carry forward to 2022/23 projects. If not spent on appropriate activities, grant funding would be required to be repaid.
Communities	Base Camp	£7,610	External funding to be used for appropriate event focus on Armed Forces. If not spent (or spent appropriately), repayment would be due.
Communities	Altogether Stronger	£37,910	External funding for food/music, community engagement events. If not spent (or spent appropriately), repayment would be due.
Communities	Art Project	£3,370	To cover production costs 2022/23.
Housing	Homelessness	£4,750	Grant funding relating to Syrian/Afghan refugees. If not spent in line with conditions, repayment would be likely.
<b>Total carry-forward requests</b>		<b>£67,240</b>	

Table 2: Items Carried Forward from 2021/22

### 3.9 INTEREST AND INVESTMENT INCOME – £375k FAVOURABLE VARIANCE

3.9.1 Following the recent increases in the Bank of England Base Rate and forecast rate rises for the remainder of the financial year; the income from the internally managed investments has been reviewed and is now expected to result in a favourable variance of some £375k

### 3.10 FUNDING STREAMS – £104k FAVOURABLE VARIANCE

3.10.1 **Transfers to/(from) reserves & Transactions below the line: £50k favourable variance** – under accounting arrangements the corresponding entries relating to reserve-funded expenditure within services (the drawdown from the reserve and the transfer into the specific service) are shown here. The total of £96k relates to reserve funded items as described within the individual Corporate Service, and Environment Directorate sections above.

3.10.2 Following the recent sale of the Council's Town Pier and Pontoon, and in conjunction with the original decision made, the balance on Town Pier and Pontoon Reserve has been transferred to the Climate Change Reserve. This has no impact on the Council's overall budget, but represents a movement within reserves, as demonstrated in the table in section 3.12.2.

3.10.3 Following a wider review of reserves and working balances taken as part of the budget-setting process, £50k from the Woodville Reserve has been released into the General Fund.

3.10.4 **Transactions Below the Line – Minimum Revenue Provision (MRP): £54k favourable variance** – the MRP charge for 2022/23 is based on the Council's

cumulative capital spend that is financed from either internal or external borrowing up to the end of 2021/22. As the capital spend in 2021/22 on schemes financed from these sources was lower than anticipated at the time of setting the 2022/23 budget, there is a resulting projected favourable variance relating to MRP in 2022/23 of £54k.

### 3.11 **Wider Risks to the MTFP**

3.11.1 As previously reported throughout the year the council continues to work within a very challenging and uncertain financial environment compounded by the cost-of-living crisis, which has seen unprecedented rises in everyday expenditure in recent months. As set out in the body of this report the council has seen significant increases in costs relating to homelessness/temporary accommodation and energy costs and these increases are set to continue into Q4.

3.11.2 On 19 December 2022, the Secretary of State for Levelling Up, Housing, Communities (DLUCH) set out the Provisional Local Government Settlement for 2023/24. As in recent years this again is a one-year settlement, continuing the uncertainty over the longer-term future financing of local government.

3.11.3 Other local government funding reforms that were planned for introduction from April 2021 (including the Fair Funding Review and reforms to the current Business Rates Retention System) continue to be put on hold until after the next Comprehensive Spending Review due to take place in 2025. Details of the final settlement once announced will be reported to members.

### 3.12 **WORKING BALANCES AND RESERVES**

3.12.1 The variances and Carried Forward items outlined in this report have the following effect upon the General Fund working balances:

<b>Working Balances</b>	<b>£</b>
Balance Brought Forward from 2021/22	11,841,270
New Homes Bonus (Straight to working balances)	573,150
Budgeted use of Working Balances to support the General Fund	(1,453,370)
Variances per budget report (Incl.items Bfwd from 2021/22)	(1,446,810)
<b>Forecast Working Balances C/Fwd (as at 31 December 2022) including Minimum GF Working Balance</b>	<b>9,514,240</b>
Less: Minimum GF balance	(2,000,000)
Less: Additional General Fund Reserve	(3,250,000)
<b>Forecast Usable Working Balances C/Fwd (as at 31 December 2022)</b>	<b>4,264,240</b>

Table 3: Effect on General Fund Balances

3.12.2 The general working balance is supplemented by specific reserves, established to assist with future funding obligations or initiatives. The table below provides a summary of the projected movements on these specific reserves during the year.

<b>General Fund Earmarked Reserves</b>	<b>Opening Balance 01/04/2022 £'000</b>	<b>Forecast Use of Reserve (Expenditure) £'000</b>	<b>Forecast Contributions (Income) £'000</b>	<b>Transfers Between Reserves £'000</b>	<b>Forecast Balance 31/03/2023 £'000</b>
Planning Policy Reserve	599	(226)	50		423
Asset Enhancement Reserve	977	(481)	100		596
Leisure Centres Reserve	47	(47)			--
Corporate Priorities Reserve	587	(67)			520
Town Pier Pontoon Reserve	136	12		(148)	--
Elections Reserve	137	(5)	35		167
NNDR Collection Fund Equalisation Reserve	2,188	(841)	91		1,438
IT Infrastructure Reserve	252	(170)	125		207
DSO Vehicle Capital Reserve	441	(458)	132		115
Freighter Replacement Reserve	1,032	(98)	221		1,155
NNDR Growth Fund Reserve	510	(287)	369		592
Lower Thames Crossing Reserve	140	(50)			90
Woodville Repairs Reserve	240	(175)	57		122
Investment Interest Equalisation Reserve	500				500
Housing & Commercial Growth Fund	700				700
Commercial Income Protection Reserve	661		97		758
Playgrounds Reserve	204	(160)	69		113
Decriminalisation Reserve	269	(269)			--
Enterprise Reserve	173	(358)	350		165
Climate Change Reserve	423	(61)		148	510
<b>Sub-total - Specific Earmarked Reserves</b>	<b>10,216</b>	<b>(3,741)</b>	<b>1,696</b>	<b>--</b>	<b>8,171</b>
Revenue Grants not yet applied	1,723	(855)			868
<b>Total - All Earmarked Reserves</b>	<b>11,939</b>	<b>(4,596)</b>	<b>1,696</b>	<b>--</b>	<b>9,039</b>

Table 4: Analysis of Specific Reserves

3.12.3 New approved/significant uses of reserves are already referred to within individual directorates – see sections 3.5.2, 3.6.3 and 3.6.4. Additionally, a transfer has been made between the Town Pier Pontoon and Climate Change Reserves as set out within section 3.10.3.

#### 4. GENERAL FUND CAPITAL PROGRAMME

4.1. The following table details the position of General Fund Capital Programme as at the end of Quarter Three. This includes the revised original budget for 2022/23, taking into consideration adjustments for carried forward items as approved by the Section 151 Officer and the Council's Management Team.

Scheme	2022/23 Original Budget £	2022/23 Approved Carry Forwards £	2022/23 Working Budget £	Forecast as at Quarter 3 £	Variance as at Quarter 3 £
Essential Repairs to Buildings	435,000	430,430	865,430	390,470	(474,960)
Gravesend Cemetery Improvements	0	14,830	14,830	14,830	0
Purchase of Vehicles (DSO Fleet)	413,400	259,440	672,840	558,340	(114,500)
Gatekeeper Replacement	0	50,000	50,000	0	(50,000)
New Wheeled Bins for Flat Recycling	0	83,400	83,400	25,000	(58,400)
Waste & Horticulture back office system	0	59,860	59,860	48,370	(11,490)
Replacement Playground Programme	159,870	0	159,870	220,040	60,170
Property Acquisition Programme	0	4,000,000	4,000,000	2,940,000	(1,060,000)
Land Acquisition Programme	2,945,790	0	2,945,790	441,000	(2,504,790)
Land Acquisition Dering Way	3,590,190	0	3,590,190	0	(3,590,190)
St George's Centre	9,019,640	(148,950)	8,870,690	8,870,690	0
Heritage Assets	331,570	52,880	384,450	228,580	(155,870)
Gym Equipment Leisure Centres	0	47,800	47,800	47,000	(800)
Parking Machines	0	287,120	287,120	301,570	14,450
LATCO development costs	0	18,600	18,600	18,600	0
LATCO working capital provision	170,260	0	170,260	170,260	0
Elizabeth Huggins Cottages – Loan	1,364,000	0	1,364,000	1,538,380	174,380
Parking Software	0	18,570	18,570	0	(18,570)
Purchase of Freighters	0	0	0	98,460	98,460
IT Infrastructure Assets	100,000	70,340	170,340	170,340	0
Rosherville Loan (The Charter)	45,439,010	59,880	45,498,890	28,811,720	(16,687,170)
Website Content Management System	0	37,170	37,170	23,120	(14,050)
New Leisure Centre	7,632,590	285,270	7,917,860	1,978,560	(5,939,300)
Electric Vehicle Charging Points	0	127,170	127,170	127,170	0
Disabled Facilities Grant	832,800	1,285,640	2,118,440	2,118,440	0
Alleyways	45,000	0	45,000	0	(45,000)
UK Prosperity Fund	0	0	15,000	15,000	0
Mobile Polling Station	0	0	20,000	20,000	0
	<b>72,479,120</b>	<b>7,039,450</b>	<b>79,553,570</b>	<b>49,175,940</b>	<b>(30,377,630)</b>

Table 5: General Fund Capital Programme 2022/23

- **Essential Repairs to Buildings** – The Brookvale Depot roofing works are complete and the new powered entrance / exit gates are on order and should be installed this quarter. Internal refurbishment of the Fort Gardens public toilets is now complete.
- **Gravesend Cemetery Improvements** – A number of improvements to the Cemeteries are currently underway and will be completed during 2022/23.
- **Purchase of Vehicles (DSO Fleet)** – During Quarter 3, delivery of 3 medium electric vehicles was received. The Council are awaiting a further 5 electric vans which are due to be delivered during quarter 4. A new 10-year vehicle replacement plan is currently being finalised to ensure the Council's vans fleet is replaced to meet the Council Net Zero target.
- **Gatekeeper Replacement** – Whilst discussions with Arriva to undertake a trial removal of buses from King Street did not come to fruition, the Council is still pursuing this approach, so that it can remove the manned presence currently in place. Discussions

are also being held with KCC about including this area in ANPR, once legislation changes enable them to do so later this summer.

- **New Wheeled Bins for Flat Recycling** – The installation of wheelie bins in flats for recycling is underway and the wheelie bins are being purchased on a block-by-block basis. Work will continue during 2022/23.
- **Waste & Horticulture Back Office System** – The Council are currently reviewing new digital systems for the allotment service. The majority of the hardware for the Bartec System with new mobile devices has been installed in most of the refuse collection vehicles. The remaining vehicles will have updated hardware during 2022/23.
- **Replacement Playground Programme** – A new play park was delivered at Culverstone recreation ground during Quarter 3 and the new play park at The Warren will be completed in Quarter 4.
- **Property Acquisition Programme** – Exchange took place in December on the acquisition previously considered by the Property Acquisitions Cross Party Working Group, with completion scheduled for January 2023.
- **Land Acquisition Programme** – As agreed by Cabinet in March 2021, the Council has been in discussion with the Ebbsfleet Development Corporation regarding the acquisition of land to enable the Council to bring forward a comprehensive housing development at the junction of Ordnance Road and Milton Place. During the quarter, activity regarding the purchase concluded, with the acquisition taking place in October 2022.
- **St George's Centre** – There are currently no further works planned, pending a decision on taking forward the St. Georges Square regeneration project at the rear of the shopping centre (formally St Georges Phase II).
- **Elizabeth Huggins Cottages** – Works continue at the site on Cross Lane West with funds continuing to be drawn down from the Council on a monthly basis.
- **Heritage Assets** – Expressions of Interest have been submitted to the National Lottery Heritage Fund, initially in respect of three assets, to inform next stages in respect of project applications. In response to these, the Heritage Fund have asked that the community engagement/audience development aspects be developed further prior to re-submission.
- **Gym Equipment Leisure Centres** – With the anticipated seasonal increases in memberships and subsequent usage of the gym areas during this period, the Council continues to monitor trends and user requirements with GCLL. Potential proposals for part replacement of fixed weight equipment, and some spin bike replacements that were not part of the original gym equipment replacement programme are being considered.
- **Parking Machines** – The new parking solutions will be going live in Quarter four, with Rathmore Road car park going live at the end of January, Milton Place/Ordnance Road at the end of February and Parrock Street at the end of March.
- **LATCO Development Costs** – No requests to utilise these funds have been received in the financial year.

- **LATCO Working Capital Provision** – In accordance with the decision taken by Cabinet in March 2022, working capital of £67k has been provided to Rosherville Repairs & Maintenance Limited to assist with initial company set-up costs.
- **Parking Software** – The parking back-office system and virtual permit system has been in operation for a year now and the invoices have been paid in full.
- **Purchase of Freighters** – There are no plans to purchase any further new refuse vehicles during 2022/23.
- **IT Infrastructure Assets** – Work has been undertaken to consolidate a number of IT Infrastructure systems into fewer cloud-based systems. This will have a long-term effect of reducing ongoing support and maintenance payments, and enabling reinvestment into service improvement.
- **Rosherville Loan (The Charter)** – Construction work continues on site with monthly drawdowns being made by Rosherville Property Development Limited in line with the expected cash flow projections.
- **Website Content Management System** – The website migration project is now complete.
- **New Leisure Centre** – A planning application for the new leisure development has recently been submitted. In the meantime, the Council continues to work with the project team on the tender process for a preferred construction partner and the overall high level development programme for the project.
- **Electric Vehicle Charging Points** – BP Pulse completed the installation of an additional ten charging points in Parrock Street car park at the end of November 2022.
- **Alleyways (GF)** – The new alleyway programme is continuing through stage 1, alleys are being assessed during the year to determine whether they will require gating. There are currently two alleyways which have been cleared.
- **Disabled Facilities Grants** – There are 85 cases that have been received and processed within the first three quarters of 2022/23. There have been 34 Homestraight referrals completed. The service is seeing an increase in referrals and is currently looking at ways to ensure properties are maintained in an appropriate condition. Officers are also seeing an increase of self-neglect cases, several of which require a multi-agency approach. Current expenditure across the overall programme is £741k, with several large DFG projects in progress with a committed spend of £480k. Due to the change in Energy Company Obligation and Sustainable Warmth funding no longer covering emergency boiler repair/replacement, the Council are offering a DFG heating grant for elderly and vulnerable clients without heating and hot water, who would have normally qualified for a DFG. In the year to date, the Council have funded 23 clients to a value of £92k.

## 5. CAPITAL RESOURCES

5.1 The table below shows the General Fund resources available to fund capital projects in the future:

<b>General Fund Capital Resources</b>	<b>Opening Balance 01/04/2022 £</b>	<b>Actual Income 2022/23 £</b>	<b>Anticipated Use of Funding 2022/23 £</b>	<b>Projected Balance 31/03/2023 £</b>
Capital Receipts	(355,080)	(588,670)	164,830	(778,920)
S106 Capital Contributions	(832,170)	0	52,000	(780,170)
Capital Grants unapplied	(96,390)	0	0	(96,390)
<b>Total Capital Resources</b>	<b>(1,283,640)</b>	<b>(588,670)</b>	<b>216,830</b>	<b>(1,655,480)</b>

Table 6: General Fund Capital Resources 2022/23

<b>Capital Grants Unapplied</b>	<b>Opening Balance 01/04/2022 £</b>	<b>Actual Income 2022/23 £</b>	<b>Anticipated use of Funding 2022/23 £</b>	<b>Projected Balance 31/03/2023 £</b>
Localised Council Tax Support	(41,390)	0	0	(41,390)
Land at South of Hever Court Road	(55,000)	0	0	(55,000)
<b>Total Capital Grants Unapplied</b>	<b>(96,390)</b>	<b>0</b>	<b>0</b>	<b>(96,390)</b>

Table 7: Capital Grants Unapplied 2022/23

5.2 The table below lists the S106 developer contributions currently held by the council. These contributions are treated as specific grants as they have conditions attached to their use.

S106 Developer Contributions	General Fund £	HRA £	Third Party Contributions £	Total S106 Income 2022/23 £	Purpose of S106
Infrastructure Maintenance Depot (IMD) Compensation fund	(2,590)	0	0	(2,590)	This grant fund was established by money secured from Union Rail the developers of the Channel Tunnel Rail Link. The original contribution was £242,000. Its aim is to support the delivery of landscape access, wildlife and recreation schemes in the Wards and Parishes affected by the development. The money can be spent on Singlewell Ward to deliver mitigation requested by Leisure Services.
Land at the South of Hever Court Road	0	0	(80,000)	(80,000)	Highways contribution.
Whitehill Open Space	(52,000)	0	0	(52,000)	Towards qualitative improvements to the wider Whitehill amenity space. These funds might be put towards a number of potential opportunities including, for example, new seating, footpath improvements, new planting and/or the levelling of the retained amenity space to the north of the proposed development.
Land South of Dalefield Way, Dering Way	(17,000)	0	0	(17,000)	Flood Risk Management - £12,000, Bus Shelter - £5,000.
Whitehill Road	0	0	(2,670)	(2,670)	Funding is for a Traffic Regulation Order linked to parking.
Springhead Leisure Contribution	(150,000)	0	0.00	(150,000)	To provide additional and/or improved play facilities at the Recreational ground and if not expended in 7 years after payment any unspent sum should be repaid
Bluewater - Gravesend Town Centre Improvements	(37,790)	0	0	(37,790)	A scheme to improve or enhance the environmental setting, visitor and shopper experience, and / or attractiveness of Gravesend Town Centre.
Dover Road - Open space	(50,000)	0	0	(50,000)	For use by Gravesend Council leisure for Springhead Recreation Ground pitch improvements at Dover Road Development, Includes levelling works to make 'pitch' 2 more usable to accommodate junior markings and potential 5V5 pitch.
Cold Harbour Road	(184,000)	0	0	(184,000)	To be used to fund projects to improve and enhance the Fleet Leisure Centre or such other leisure facilities situated within 5 miles of the Site.
Meopham Police Station	0.00	(24,500)	0	(24,500)	Payable towards the provision of or major upgrade, refurbishment or improvement of Affordable Housing in the Borough of Gravesham.
Rosherville Property Development - NHS Contribution	0.00	0	(155,230)	(155,230)	Refurbishment, configuration and/or extension of either Gravesend medical centre or the Springhead Health Centre
Rosherville Property Development - St Andrews Gardens	(285,260)	0	0	(285,260)	Towards the improvement of landscaping at St Andrew's Gardens.
Heritage Funds	(29,030)	0	0	(29,030)	Purpose of implementing measures to enhance the interpretation of heritage assets.
<b>Total S106 Contributions</b>	<b>(807,670)</b>	<b>(24,500)</b>	<b>(237,900)</b>	<b>(1,070,070)</b>	

Table 8: S106 Contributions 2022/23

<b>Secondary Implications</b>	
<b>Risk Assessment</b>	The purpose of this report is to demonstrate financial performance as at 31 December against the original budget set for the 2022/23 financial year, and assess full year projections to 31 March 2023. It also illustrates how the projected position affects the Working Balances and Earmarked Reserves held by the Council.
<b>Data Protection Impact Assessment</b>	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a> ?  A definition of each type of data can be found on the Information Commissioner's Office website via the above links.  N/A
	b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?  N/A
	c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdp@medway.gov.uk">gdp@medway.gov.uk</a> .  N/A
<b>Equality Impact Assessment</b>	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.  No decision – paper is for information only.
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.  No decision – paper is for information only.
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
<b>Crime and Disorder</b>	No direct implications
<b>Digital and website implications</b>	No direct implications
<b>Safeguarding children and vulnerable adults</b>	No direct implications