

2021/22 Period 3: Revenue Budget Monitoring

Summary

The full year forecast at the end of Quarter 1 for Service budgets is £0.024m (0.1%) lower than the management budget; the Central budgets are reporting £0.002m higher than budget, resulting in an overall forecast of £0.022m (0.1%) lower than budget.

Ongoing COVID-19 income losses are forecast to be £2.319m, £0.465k of which are expected to be funded by the Q1 Sales Fees & Charges grant from Government. Inclusion of these losses results in a forecast of £1.832m (10.4%) higher than budget.

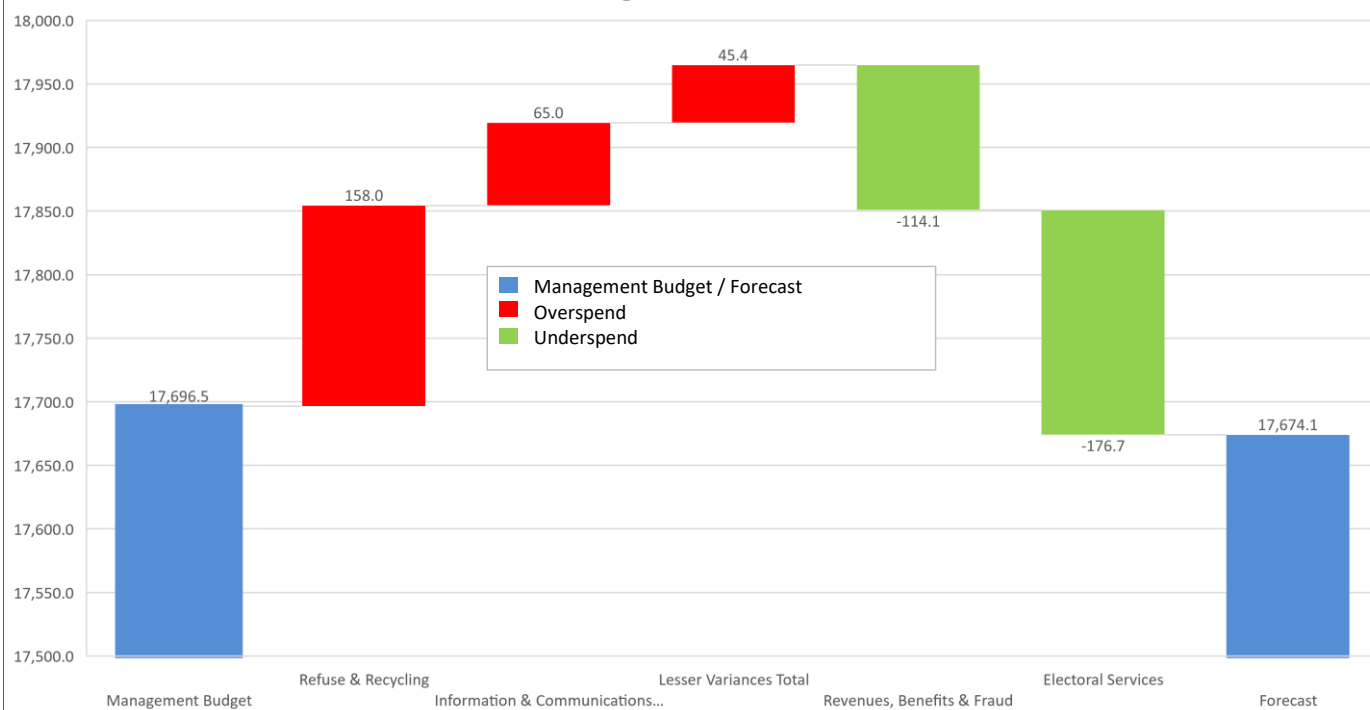
Reconciliation of Original Budget to Management Budget for 2021/22

| | £000 | £000 |
|---|-------|-----------------|
| <u>Original Budget</u> | | 17,395.0 |
| Unspent Budget brought forward from 2020/21 | 218.3 | |
| <u>Transfers from Reserves:</u> | | |
| Corporate Plan Delivery Fund Reserve | 83.2 | |
| | | 301.5 |
| <u>Management Budget</u> | | <u>17,696.5</u> |

Headline Revenue Budget Information 2021/22

| | £000 | |
|--|-----------------------|-----------------------|
| Management Budget | 17,696.5 | |
| Year End Forecast - Service & Central Budgets | 17,674.1 | |
| Projected underspend - Service & Central Budgets | <u>(22.4)</u> | (-0.1% of the budget) |
| Year End Forecast - ongoing COVID-19 income losses | 2,319.0 | |
| - COVID-19 income losses funding (Q1 claim) | (465.0) | |
| Projected overspend - including ongoing net COVID-19 income losses | <u>1,831.6</u> | (10.4% of the budget) |

Revenue Budget Outturn Variances £000



Forecast for Services is £0.024m over budget. Significant variances summarised below:

Refuse and Recycling: £158k overspend is due to extra Temporary Staff costs of £152k, an overtime overspend of £69k is offset by a Salaries forecast underspend.

Information & Communications Technology: £65k overspend is mostly attributable to increased maintenance costs.

Revenues, Benefits & Fraud: £114k underspend is mostly attributable to a lower forecast on the salaries budget due to vacancies and slightly lower than budgeted commercial income.

Electoral Services: £177k underspend. The forecast reflects £100k lower than budgeted election costs and £76k savings resulting from a review of long term contracts.

Forecast for Central Budgets is £0.002m over budget. There are no significant variances.

COVID-19 Ongoing Income Losses

These are detailed at Section 2 and summarised above. To be funded by calling on Reserves set aside to mitigate this risk in 2020/21.

COVID-19 Ongoing Expenditure & Funding

These are detailed at Section 3

| 1. General Fund Reserve | | | £000 | £000 |
|---|-------------------|--|---------|-----------------------|
| Balance at start of year | | | | 3,000.0 |
| Less: Transfers out (Payment of Three Year Employer Pension Contribution in advance) | | | | 0.0 |
| Add: Projected underspend | at 31 March 2022 | | | -22.4 |
| Anticipated balance at End of Year before Reserves Review/Reallocations* | | | | <u>2,977.6</u> |
| *Maximum General Fund Balance Required (2021/22 = £3m) | | | 2,609.3 | |
| 2. Corporate Plan Delivery Fund (CPDF) Reserve | | | £000 | £000 |
| Balance at start of year | | | | 860.6 |
| V21-03 CPDF Community Centre Review (carried forward from 20-21) | Community Centres | | 83.2 | |
| Balance before any further transfers in year | | | | <u><u>777.4</u></u> |
| 3. Capital Schemes (Feasibility Studies) Reserve | | | | |
| The Capital Schemes (Feasibility Studies) Reserve was established to ensure that funding is available to prepare business cases and obtain external professional advice for new initiatives designed to deliver new capital schemes, including new sources of sustainable commercial income streams. Once a Capital scheme is approved by Executive, the costs can be capitalised and the funds will recycle back to the Capital Schemes (Feasibility Studies) Reserve. | | | | |
| | | | £000 | £000 |
| Balance at start of year | | | | 2,334.7 |
| | | | | <u><u>2,334.7</u></u> |
| 4. Economic Development Initiatives Reserve | | | | |
| The Economic Development Initiatives Reserve was established to fund initiatives to raise awareness amongst local people of quality local employment opportunities. | | | | |
| | | | £000 | £000 |
| Balance at start of year | | | | 656.5 |
| | | | | <u><u>656.5</u></u> |

| Responsible Officer | Service | Original Budget £000 | Total Variations £000 | Management Budget £000 | Year End Outturn £000 | Year End Variance £000 | Commentary |
|---------------------------|---|----------------------|-----------------------|------------------------|-----------------------|------------------------|---|
| 1. Service Budgets | | | | | | | |
| 1a. Organisation | | | | | | | |
| Catherine Rose | Corporate Policy | 227.8 | 0.0 | 227.8 | 231.9 | 4.1 | Minor variance |
| | Projects & Business Assurance | 204.4 | 0.0 | 204.4 | 192.1 | (12.3) | Minor variance |
| Carys Jones | Communications | 700.8 | 0.0 | 700.8 | 700.8 | 0.0 | Nil |
| | Customer Contact | 400.4 | 0.0 | 400.4 | 400.4 | 0.0 | Nil |
| Darren Wray | Information & Communications Technology | 1,767.4 | 0.0 | 1,767.4 | 1,832.4 | 65.0 | Increase in maintenance costs. |
| Kate Brown | Organisational Development & Human Resources | 785.8 | 0.0 | 785.8 | 785.8 | 0.0 | Nil |
| Joyce Hamilton | Legal Services | 816.6 | 0.0 | 816.6 | 816.6 | 0.0 | Nil |
| | Land Charges | -105.6 | 0.0 | -105.6 | -105.6 | 0.0 | Nil |
| | Democratic Services | 861.1 | 0.0 | 861.1 | 843.3 | (17.8) | Savings due to review of unused budget lines. |
| | Electoral Services | 447.9 | 169.3 | 617.2 | 440.5 | (176.7) | £100k lower elections costs, £75k saving due to review of unused budget lines |
| | Corporate Support | 184.0 | 0.0 | 184.0 | 184.0 | 0.0 | Nil |
| Pat Main | Finance | 1,326.6 | 0.0 | 1,326.6 | 1,326.2 | (0.4) | Minor variance |
| | Property & Facilities | -1,495.1 | 0.0 | -1,495.1 | -1,495.1 | 0.0 | Review in progress |
| | Property & Facilities - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 51.0 | 51.0 | Redhill Hotel £40k, Horley Leisure Centre £9k, Priory Park Pavillion £2k. |
| | Commercial & Investment | 143.4 | 0.0 | 143.4 | 143.4 | 0.0 | Nil |
| 1b. Place | | | | | | | |
| Simon Bland | Economic Prosperity | 353.6 | 0.0 | 353.6 | 346.6 | (7.0) | Slight overspend of 9k against salary budget to reflect employee contractual payments in P3. Another P/T member of staff is planning to increase hours from P6. Market Operations are currently expecting an overall underspend of £16k as the rates are now expected to be £16k less following a government initiative to support traders with the payment of Business Rates. |
| Morag Williams | Fleet | 886.6 | 0.0 | 886.6 | 900.4 | 13.8 | Minor variance |
| | Refuse & Recycling | 1,348.1 | 0.0 | 1,348.1 | 1,506.1 | 158.0 | £152k Temporary Staff and £69k Overtime overspends are partially offset by a £69k Salaries underspend. |
| | Engineering & Construction | 60.9 | 0.0 | 60.9 | 60.9 | 0.0 | Nil |
| | Environmental Health & JET | 1,101.4 | 0.0 | 1,101.4 | 1,123.1 | 21.7 | Unachievable external income from Contaminated Land £8k, Pest Control £4k, H&S £10k and other minor favourable variances. |
| | Environmental Licencing | -203.6 | 0.0 | -203.6 | -203.6 | 0.0 | Nil |
| | Environmental Licencing - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 23.0 | 23.0 | Premises & Taxi licences £19k, MOT income £4k. |
| | Greenspaces | 1,481.8 | 0.0 | 1,481.8 | 1,481.5 | (0.3) | Minor variance |
| | Car Parking | -2,024.8 | 0.0 | -2,024.8 | -1,978.3 | 46.5 | Higher than budgeted processing costs. |
| | Car Parking - ongoing COVID-19 income loss | 0.0 | 0.0 | 0.0 | 1,720.0 | 1,720.0 | Off-street £1.6m, on-street £0.1m (latest forecast). |
| Peter Boarder | Street Cleansing | 1,006.7 | 0.0 | 1,006.7 | 1,012.4 | 5.7 | Minor variance |
| | Place Delivery | 354.5 | 0.0 | 354.5 | 339.2 | (15.3) | £26k underspend against consultancy budget, as only £7k spend expected by year end. However, a slight overspend of £11k against the salary budget is expected to reflect employee contractual increases paid in P3. |
| Andrew Benson | Building Control | 45.0 | 0.0 | 45.0 | 45.0 | 0.0 | As of Q1, Salaries are forecast to underspend by £237k due to 5 vacancies across the Planning budget. In contrast, there is an overspend of £193k against consultancy and a further £24k overspend against Casual Wages, to fill the vacant gaps within the team structure. However, there is anticipation that both consultancy and casual wages should see a reduction in their respective forecasts as the service recruits to the vacant posts. |
| | Development Services | 225.4 | 2.0 | 227.4 | 229.7 | 2.3 | |
| | Planning Policy | 457.9 | 18.0 | 475.9 | 448.9 | (27.0) | |
| | Planning Policy - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 48.0 | 48.0 | Planning fee income (worst case). |

| Responsible Officer | Service | Original Budget £000 | Total Variations £000 | Management Budget £000 | Year End Outturn £000 | Year End Variance £000 | Commentary |
|--|--|----------------------|-----------------------|------------------------|-----------------------|------------------------|--|
| 1c. People | | | | | | | |
| Justine Chatfield | Community Development | 453.8 | 13.5 | 467.3 | 467.3 | 0.0 | Nil |
| | Partnerships | 406.4 | 15.5 | 421.9 | 421.9 | 0.0 | Nil |
| | Community Centres | 292.1 | 83.2 | 375.3 | 375.9 | 0.6 | Minor variance |
| | Voluntary Sector Support | 295.1 | 0.0 | 295.1 | 295.1 | 0.0 | Nil |
| Richard Robinson | Housing Services | 999.3 | 0.0 | 999.3 | 999.3 | 0.0 | Nil |
| Simon Rosser | Benefits Paid/Subsidy Received | 623.0 | 0.0 | 623.0 | 623.0 | 0.0 | Salary underspend of £112k as there are currently 3 vacancies across Revenues & Benefits. |
| | Revenues, Benefits & Fraud | -112.9 | 136.4 | 23.5 | -90.6 | (114.1) | There is also a small deficit of £10k within commercial trading, compared to a budgeted surplus of £18k; this is under review as a further contract is due to be agreed towards the end of Q2. |
| | Commercial Trading Account - Revenue & Benefits | 118.0 | -136.4 | -18.4 | 10.3 | 28.7 | |
| | Commercial Trading Account - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 40.0 | 40.0 | External contract opportunity not pursued due to COVID staff redeployments. |
| Duane Kirkland | Supporting People | 161.4 | 0.0 | 161.4 | 161.4 | 0.0 | Nil |
| | Supporting Families | 90.0 | 0.0 | 90.0 | 90.0 | 0.0 | Nil |
| | Harlequin | 446.0 | 0.0 | 446.0 | 446.0 | 0.0 | Nil |
| | Harlequin - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 155.0 | 155.0 | Ticket sales, room hire, equipment hire, catering income. |
| | Leisure Services | -89.1 | 0.0 | -89.1 | -89.1 | 0.0 | Nil |
| | Leisure Services - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 282.0 | 282.0 | GLL leisure fee waived (£262k), pitch hire income £20k. |
| 1d. Management Team | | | | | | | |
| Mari Roberts-Wood | Management Team | 1,158.2 | 0.0 | 1,158.2 | 1,158.2 | 0.0 | Nil |
| Frank Etheridge | Emergency Planning | 39.7 | 0.0 | 39.7 | 39.7 | 0.0 | Nil |
| Total Services including COVID-19 income losses | | 16,240.0 | 301.5 | 16,541.5 | 18,836.0 | 2,294.5 | 13.87% |
| Ongoing COVID-19 income losses | | 0.0 | 0.0 | 0.0 | 2,319.0 | 2,319.0 | |
| Total Services - underlying | | 16,240.0 | 301.5 | 16,541.5 | 16,517.0 | -24.5 | (0.15%) |
| 2. Central Budgets | | | | | | | |
| Pat Main | Insurance | 460.1 | 4.9 | 465.0 | 457.0 | (8.0) | Minor variance |
| | Treasury Management - Interest on Investments | -1,216.1 | 21.1 | -1,195.0 | -1,202.6 | (7.6) | Minor variance |
| | Treasury Management - Interest on Borrowing | 165.0 | -60.0 | 105.0 | 127.7 | 22.7 | Minor variance |
| | Treasury Management - Interest on Trust Funds | 18.0 | 0.0 | 18.0 | 14.0 | (4.0) | Minor variance |
| | Minimum Revenue Provision | 1,361.0 | 0.0 | 1,361.0 | 1,360.9 | (0.1) | Minor variance |
| | Employer Pension costs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Nil |
| Kate Brown | Apprenticeship Levy | 74.5 | 0.0 | 74.5 | 74.5 | 0.0 | Nil |
| | Recruitment Expenses | 40.0 | 0.0 | 40.0 | 40.0 | 0.0 | Nil |
| | Corporate Human Resources Expenses | 86.8 | 0.0 | 86.8 | 86.8 | 0.0 | Nil |
| Pat Main | Central Budget Contingencies | 0.0 | 50.2 | 50.2 | 50.2 | 0.0 | Nil |
| | Preceptor Grants | 37.5 | 0.0 | 37.5 | 37.5 | 0.0 | Nil |
| | External Audit Fees | 67.0 | -14.0 | 53.0 | 52.6 | (0.4) | Minor variance |
| | Internal Audit | 61.2 | -2.2 | 59.0 | 58.5 | (0.5) | Minor variance |
| Total Central Items | | 1,155.0 | 0.0 | 1,155.0 | 1,157.1 | 2.1 | 0.18% |
| COVID-19 Income Losses funding (Q1 Claim) | | 0.0 | 0.0 | 0.0 | -465.0 | -465.0 | |
| Grand Total | | 17,395.0 | 301.5 | 17,696.5 | 19,528.1 | 1,831.6 | 10.35% |

| 2021/22 COVID EXPENDITURE & FUNDING (latest forecast at August 2021) | Forecast Expenditure £m | Forecast Funding £m |
|---|-------------------------------|---------------------------|
| Homelessness Prevention | 0.230 | |
| Welfare Response | 0.228 | |
| 'Welcome Back' Expenditure & Funding | 0.166 | (0.166) |
| Revenues & Benefits Team - additional capacity | 0.136 | |
| Communications/Contact Centre/Data & Insight Team - additional capacity | 0.119 | |
| ICT support costs | 0.086 | |
| Environmental Services/Waste Team - additional capacity | 0.073 | |
| Revenues & Benefits - other | 0.061 | |
| Financial Management & Monitoring | 0.060 | |
| Other expenditure (including Elections) | 0.052 | (0.039) |
| Cultural, Sports, Leisure | 0.031 | |
| Surge Testing | 0.026 | (0.026) |
| Test & Trace Administration Funding | | (0.050) |
| New Burdens Funding | | (0.095) |
| Contain Outbreak Management Funding | | (0.274) |
| Government COVID-19 Funding Allocation 2021/22 | | (0.638) |
| Forecast Expenditure and Income 2021/22 | 1.268 | (1.288) |