

2023/24 Quarter 3: Revenue Budget Monitoring

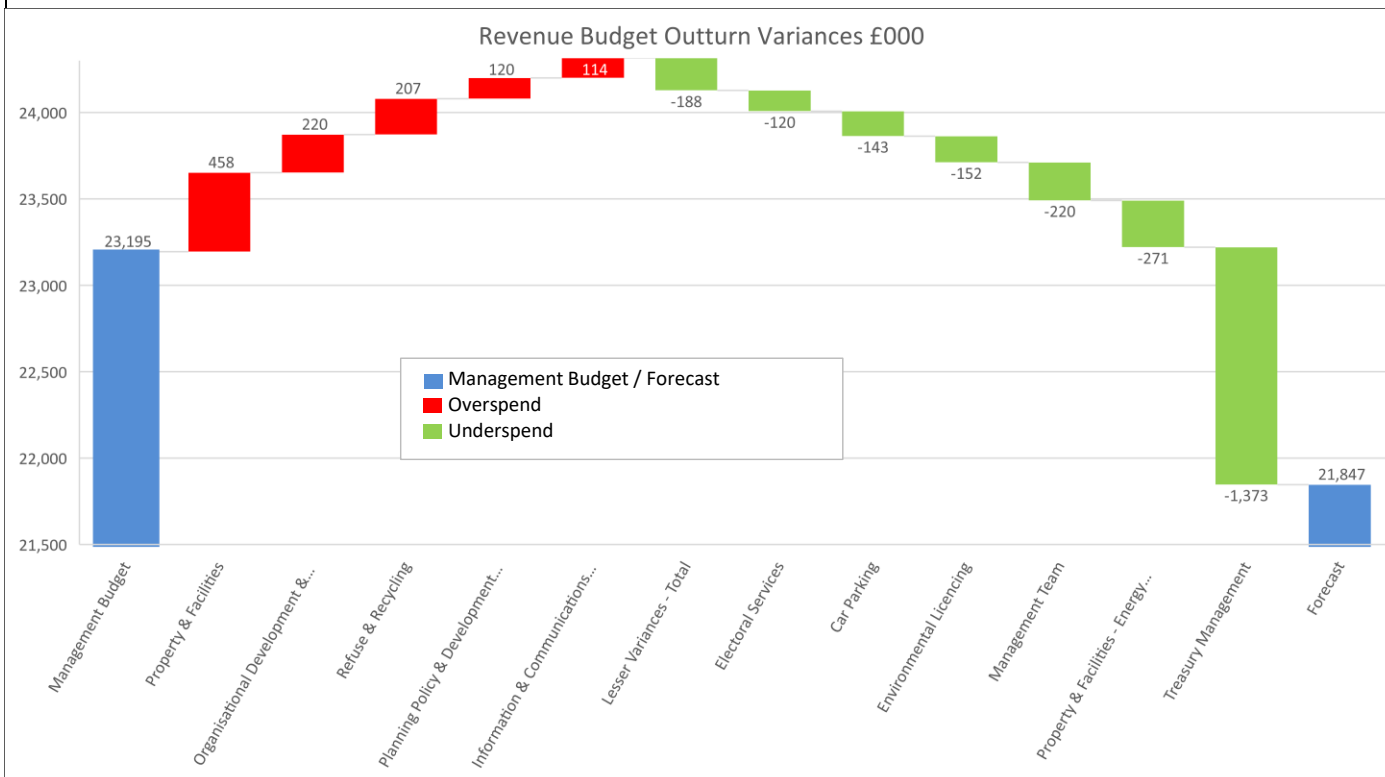
Summary

The full year forecast at the end of Quarter 3 for Service budgets is -£50k (0.2%) lower than the management budget; Central budgets are forecast to be -£1,297k (42.9%) lower than budget, resulting in an overall forecast of -£1,347k (5.8%) lower than budget.

Headline Revenue Budget Information 2023/24

£000

Management Budget	23,195
Year End Forecast	21,847
Projected underspend	-1,347 (-5.8% of the budget)



Forecast for Services is £50k under budget. Significant variances are summarised below:

- Property & Facilities: £458k overspend** driven by unbudgeted council tax expenses at The Rise, higher than forecast maintenance costs at properties including Regent House, Redhill Distribution Centre and car parks.
- Organisational Development & Human Resources: £220k overspend** driven by higher interim resource costs to support the service during restructure.
- Refuse & Recycling: £207k overspend** driven by lower recycle costs, partially offset by a higher number of garden waste subscribers and lower pay costs due to vacancies.
- Planning & Development Management: £120k overspend** driven by lower income from planning applications partially offset by savings in pay costs due to vacancies.
- ICT: £114k overspend** driven by higher consultancy costs and higher than forecast contract renewals.
- Electoral Services: £120k underspend** due to lower election costs and staff vacancies
- Car Parking: £143k underspend** driven by underspent residual budget following termination of the SCC on-street parking contract.
- Environmental Licencing: £152k underspend** driven primarily by higher private hire income.
- Management Team: £220k underspend** driven primarily by vacancies that will be recruited in 2024/25.
- Property & Facilities - Energy Costs: £271k underspend** driven by renewal of contracts.

Forecast for Central Budgets is £1,297k under budget. Significant variances are summarised below:

- Treasury Management: £1,373k underspend.** Higher than budgeted interest income due to favourable rates, more funds on deposit and lower than budgeted borrowing.

1. General Fund Reserve		£000	£000
Balance at start of year			3,476.9
Add: Projected underspend	at 31 March 2024		1,347.5
Anticipated balance at End of Year before Reserves Review/Reallocations*			4,824.3
*Maximum General Fund Balance Required (2023/24)		3,500.0	

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
1a. Organisation							
Catherine Rose	Corporate Policy	224.2	0.0	224.2	232.2	8.0	Minor Variance
	Projects & Business Assurance	223.2	0.0	223.2	202.0	-21.2	Savings in paycosts due to vacancy.
Carys Jones	Communications	753.8	62.0	815.8	751.7	-64.1	Savings in paycosts due to vacancies partially offset by cost of temporary cover and software costs for web design.
	Customer Contact	415.8	0.0	415.8	400.4	-15.4	Savings in paycosts due to deleted post.
Darren Wray	Information & Communications Technology	2,395.9	0.0	2,395.9	2,510.3	114.4	£235k overspend on consultancy and contract renewals, partially offset by £69k underspend on ICT Strategy investment and £30k savings in paycosts due to vacancies. It should be noted that a £200k growth adjustment has been included in the approved budget for 2024/25 to address the increased cost of system licences and maintenance.
Kate Brown	Organisational Development & Human Resources	733.0	0.0	733.0	953.4	220.4	The overspend consists of costs to support the service during restructure, including interim staff costs, consultancy support costs and severance payments .
Joyce Hamilton	Legal Services	816.0	-136.0	680.0	628.0	-52.0	There has been a significant underspend in Legal and Procurement due to vacant posts, offset by overspends for external legal services (required due to internal staff vacancies) and a small under-recovery of income compared to forecast for recovery of historic legal costs.
	Democratic Services	894.8	46.0	940.8	923.6	-17.2	Small savings in paycosts due to a vacancy, partly offset by other minor overspends for training, consultancy costs and temporary staff.
	Electoral Services	646.9	28.0	674.9	554.6	-120.3	This underspend consists of lower election costs of £46k combined with a higher recovery £35k than anticipated of election costs from previous claims. There is a salary underspend of £75k forecast for the Register of Electors Team, partially offset by temporary staff costs and other running costs such as printing and documentation costs. A transfer of unspent budget to a reserve for future Elections will be made at the financial year end as previously agreed.
Pat Main	Corporate Support	174.6	0.0	174.6	122.2	-52.4	There is an underspend on salaries due to vacant post plus some minor underspends on a number of running cost budgets.
	Finance	1,253.4	0.0	1,253.4	1,319.4	66.0	Cost of additional temporary support to ensure that key financial controls are maintained.
	Property & Facilities	-1,270.7	0.0	-1,270.7	-813.0	457.7	Key overspend variances are for unbudgeted costs during transfer of The Rise (£178k), including council tax costs before flats were sold. Also some service charge under recoveries due to tenancies starting at dates which overlap the financial year, plus support costs which are revenue expenditure and are not eligible to be capitalised. Also a number of smaller variances for other assets including Regent House (£78k), pavilions (£33k), car parks (£28k) and Redhill Distribution Centre (£30k), primarily overspends on mechanical and electrical maintenance, business rates changes, service charge changes and consultancy costs (none of which can be capitalised). Final position to be confirmed at financial year end.

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
	Property & Facilities - Energy Costs	1,377.6	0.0	1,377.6	1,106.5	-271.1	Renegotiated and renewed energy contracts and revised prices. This underspend offsets some of the overspends in the Property & Facilities budgets above.
	Commercial & Investment	149.3	0.0	149.3	149.3	0.0	Forecast in line with budget.
1b. Place							
Simon Bland	Economic Prosperity	288.3	0.0	288.3	327.7	39.4	£50k income budgeted from Market Operator will not be received, partially offset by higher than budgeted sponsorship income.
Morag Williams	Fleet	1,457.7	0.0	1,457.7	1,542.4	84.7	The volume of fuel usage has been reassessed and is now forecast to be £23k over budget by year end. Replacement tyres are forecast to cost £28k more than budget and unplanned vehicle maintenance costs of £87k are forecast, this is offset by a £53k underspend due to vacancies.
	Refuse & Recycling	948.2	0.0	948.2	1,155.6	207.4	£368k lower income due to reduced recycle prices is partially offset by £161k higher income generated by extra subscribers to the garden waste service. Paycosts are lower than budget due to vacancies, but this is largely offset by increased overtime and temporary staff costs.
	Engineering & Construction	83.1	0.0	83.1	84.6	1.5	Minor Variance
	Environmental Health & JET	1,167.7	45.0	1,212.7	1,169.6	-43.1	Minor underspend variances in areas such as pest control, increased income from penalties and housing standards due to reduced works in default.
	Environmental Licencing	-138.2	-45.0	-183.2	-335.2	-152.0	£171k higher income due to increased private hire applications and lower forecast pay costs due to a vacancy, partially offset by a £30k legal settlement payment.
	Greenspaces	1,453.5	-2.5	1,451.0	1,451.4	0.4	£87k lower income than budget following transfer of the SCC Verges contract in April. £20k higher forecast spend compared to budget for playgrounds maintenance costs. Countryside maintenance costs are £17k higher than was predicted, mainly reactive work due to weather conditions. Offset by salaries that are forecast to be £124k lower than budget due to vacancies.
	Car Parking	-1,175.9	0.0	-1,175.9	-1,319.2	-143.3	The transfer of the SCC on-street parking contract affects the 2023/24 budget as follows; the salary budget is expected to underspend by £280k (note some staff have transferred under TUPE arrangements), PCN income is £118k under budget. Season ticket income is predicted to be £19k under budget, whilst service operating costs are £32k higher. Coupled with other minor variances, this results in a net underspend of £143k. It should be noted that the budget for 2024/25 has been adjusted for this as a £162k saving was agreed as part of the 2024/25 budget process and approved by Council on 20/2/2024.
	Street Cleansing	1,006.6	0.0	1,006.6	940.5	-66.1	Lower forecast pay costs due to vacancies, offset in part by overtime costs.
Peter Boarder	Place Delivery	334.0	0.0	334.0	360.5	26.5	Saving in paycosts due to vacancy.
Andrew Benson	Building Control	0.0	0.0	0.0	-9.0	-9.0	Minor Variance
	Planning Policy & Development Services	693.4	0.0	693.4	813.8	120.4	£390k overspend due to the reduced level of DC planning applications and reduced fee income which is offset by a salary budget underspend of £280k due to vacancies after accommodating temporary staff costs of £90k to cover vacancies.
	Land Charges	-98.5	0.0	-98.5	-98.5	0.0	Budget on target - forecast reduced from Q2 due to potential demand reductions due to cost of living crisis and higher interest rates affecting the volume of house sales.

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	385.3	-29.3	356.0	349.5	-6.5	Minor Variance
	Partnerships	323.1	0.0	323.1	311.5	-11.6	Forecast reflects additional external funding received for paycosts
	Community Centres	413.6	29.3	442.9	406.6	-36.3	Increase in income partially offset by higher one-off costs
	Voluntary Sector Support	184.1	0.0	184.1	184.1	0.0	
Richard Robinson	Housing Services	897.9	0.0	897.9	912.0	14.1	£423k net overspend on provision of Bed & Breakfast accommodation offset by calling on the Homelessness Prevention Reserve.
Simon Rosser	Revenues, Benefits & Fraud	2,161.2	-441.0	1,720.2	1,728.0	7.8	Salary underspend of £112k and additional Council Tax court fee income expected of £46k, offset by additional audit costs for the Housing Benefit subsidy claim together with additional printing and postage costs and overtime costs which leave a minor overspend forecast.
Duane Kirkland	Supporting People	148.6	0.0	148.6	137.3	-11.3	Minor Variance
	Supporting Families	84.0	0.0	84.0	69.0	-15.0	There has been some additional funding received but this is offset by salary costs, leaving a small underspend expected at final year end.
	Harlequin	311.4	0.0	311.4	237.4	-74.0	Harlequin budgets currently under review due to identification of RAAC and the requirement to close the building .
	Leisure Services	-135.8	2.5	-133.2	-150.1	-16.9	There is an underspend on salaries and slightly higher than anticipated income from Centres, this however is offset by lower than anticipated film and TV income plus an overspend for running RBBC events. Overall a small net underspend is forecast for year end.
1d. Management Team							
Mari Roberts-Wood	Management Team	945.6	0.0	945.6	725.6	-220.0	Savings in paycosts - vacant posts that will be filled in 2024/25.
Laura McCartney	Emergency Planning	84.7	0.0	84.7	84.7	0.0	

Total Services 20,611.4 - 441.0 20,170.5 20,120.4 (50.1) -0.25%

2. Central Budgets

Pat Main	Insurance	467.0	0.0	467.0	415.5	-51.5	Commercial property premiums lower than budgeted.
	External Audit Fees	150.0	0.0	150.0	199.1	49.1	
	Internal Audit Fees	65.0	0.0	65.0	65.7	0.7	
	Housing Benefits - net cost	-714.7	441.0	-273.7	-209.3	64.4	The cost of benefit payments continues to exceed the subsidy and grant receipts from DWP.
	Treasury Management	-87.0	0.0	-87.0	-1,460.1	-1,373.1	Higher than budgeted interest income due to favourable rates, more funds on deposit and lower than budgeted borrowing.
	Employer Pension Costs	2,240.0	0.0	2,240.0	2,240.0	0.0	
	Central Pay Cost Provision	252.0	0.0	252.0	252.0	0.0	
	Central Vacancy Turnover Provision	-150.0	0.0	-150.0	-150.0	0.0	Offset against forecast service pay savings
	Preceptor Grants – Horley Town Council Double Taxation	43.5	0.0	43.5	43.5	0.0	
	Funding Contribution - Banstead Commons Conservators	110.5	0.0	110.5	110.5	0.0	
Kate Brown	Central Recruitment & Visa Expenses	45.0	-5.0	45.0	50.0	5.0	Minor variances
	Central Training Budget	81.8	5.0	81.8	89.8	8.0	Minor variances
	Apprenticeship Levy	80.0	0.0	80.0	80.0	0.0	

Total Central Items 2,583.1 441.0 3,024.1 1,726.7 (1,297.4) -42.90%

Grand Total 23,194.5 0.0 23,194.5 21,847.1 (1,347.4) -5.81%

HOUSEHOLD SUPPORT FUND ROUNDS 1 TO 4 Expenditure & Funding @ P9 2023/24	Round #1 <small>(period covered- 06.10.21 - 31.03.22)</small>		Round #2 <small>(period covered- 01.04.22 - 30.09.22)</small>		Round #3 <small>(period covered- 01.10.22 - 31.03.23)</small>		Round #4 <small>(period covered- 01.04.23 - 31.03.24)</small>	
	Funding £m	Expenditure £m	Funding £m	Expenditure £m	Funding £m	Expenditure £m	Funding £m	Expenditure £m
	(actuals)	(actuals)	(actuals)	(actuals)	(actuals)	(actuals)	(actuals)	(forecast)
The Household Support Fund is a Government scheme aimed at alleviating the financial pressures falling on households as a result of the cost of living crisis. There is a specific focus on supporting households with energy, food & water bills.								
Initial Grant Allocation (received via Surrey County Council)	(0.383)		(0.324)		(0.302)		(0.512)	
Support Issued To Households								
Council Tax Reduction Strand (pro-active payments made to CTR recipients)		0.181		-		-		-
Referral Strand (referrals made to us from 3rd parties)		0.103		-		-		-
Fuel Vouchers (distributed via VCS partners)		0.019		0.025		-		-
Food Vouchers (distributed via VCS partners)		-		0.053		0.069		0.096
Water Vouchers (distributed via SES Water)		-		-		-		0.009
Cash Payments (made to pensioner households on Council Tax Support)		-		0.188		0.002		-
		0.303		0.266		0.071		0.105
Contributions To Voluntary/Community Sector Partners								
Stripey Stork		0.008		-		0.012		0.030
Fuel Grants		0.008		-		0.035		0.014
East Surrey Domestic Abuse Service		0.006		-		0.020		0.031
'I Choose Freedom' (previously known as Reigate & Banstead Women's Aid)		0.006		-		0.020		0.018
Food Clubs		0.005		-		0.023		0.035
Renewed Hope Trust		0.002		-		-		0.003
Gateway Allotment Project		0.002		-		-		-
Merstham Mix		0.001		-		-		-
Surrey Community Action		0.001		-		-		-
Money Support Team		-		-		0.010		0.036
East Surrey YMCA		-		-		0.005		0.015
Age Concern		-		-		0.002		0.009
Mole Valley Lifeline Alarms (energy efficiency measures)		-		-		-		0.035
Citizen's Advice Reigate & Banstead (advice line for residents)		-		-		-		0.031
Methodist Homes Association		-		-		-		0.014
Community Debt Advice		-		-		-		0.003
St Mark's Church - Hamper Project		-		-		-		0.001
		0.039		0.000		0.127		0.274
Housing Support								
Contributions Towards Rent Arrears		0.023		0.020		0.021		0.045
Rent Assistance / Rehoming Of Donyings Cabin Occupants		0.008		-		-		-
Contribution To ESDAS Sanctuary		0.005		0.005		-		-
Energy, Food & Essentials For Specific Housing Clients		-		-		0.003		0.010
		0.036		0.025		0.024		0.055
Other Support								
Warm Hubs		-		-		0.012		-
Mayor's Trust Fund		-		-		0.005		0.019
RBBC Community Centres - Hot Meals		-		-		-		0.006
		0.000		0.000		0.017		0.025
Administration Costs								
RBBC Staff Costs (costs falling outside BAU)		0.003		0.009		0.016		0.030
Admin Contributions Claimed By VCS Partners		0.005		0.001		0.009		0.021
Software & Administration Services (NEC Software Solutions)		-		0.015		-		-
		0.008		0.025		0.025		0.051
		(2.20% of spend)		(8.08% of spend)		(9.58% of spend)		(9.93% of spend)
Grant Closure/Reconciliation								
Grant Top-Up To Eliminate Overspend (received from Surrey County Council)	(0.003)							
Recoupment Of Unspent Grant (excess funding returned to Surrey County Council)				0.008		0.023		0.003
Repurposed By Surrey County Council (extra support made by upper-tier for carers, free school meals etc)						0.015		(contingency)
No. Of Households Supported		4,294		2,451		2,745		tbc
Total Funding & Expenditure	(0.386)	0.386	(0.324)	0.324	(0.302)	0.302	(0.512)	0.512

2023/24 UKRAINIAN REFUGEE SCHEMES Expenditure & Funding @ P9 2023/24	22/23 Funding Received £m	22/23 Total Expenditure £m	23/24 Funding Received £m	23/24 Total Expenditure £m
"Ukraine Family Scheme"	(actuals)	(actuals)	(forecast)	(forecast)
Funding Received/Expected (costs are reimbursed in arrears by SCC)	(0.006)		(0.004)	
Refugee Accommodation Costs		0.005		0.003
Interpretation/Translation Costs		0.001		0.001
Total Expenditure / (Funding)	(0.006)	0.006	(0.004)	0.004
Reimbursement Outstanding / (Funding Received In Advance)	0.000		0.000	
"Homes For Ukraine Scheme"				
Funding Brought Forward From Previous Years	-		(1.202)	
In-Year Funding Received/Expected (costs are reimbursed in arrears By SCC)	(1.707)		(0.757)	
Sponsorship Payments (increase from £350/mth to £600/mth after 12 mths sponsorship)		0.431		0.550
Refugee Accommodation Costs		0.011		0.060
Interpretation & Translation Services		0.001		0.005
Other Costs		0.001		0.006
Staffing Costs (dedicated staff, overtime, additional hours etc)		0.058		0.110
Staff Travel Costs		0.003		0.007
Total Expenditure / (Funding)	(1.707)	0.505	(1.959)	0.738
Reimbursement Outstanding / (Funding Received In Advance)	(1.202)		(1.221)	
Total Expenditure / (Funding) - Both Schemes	(1.713)	0.511	(1.963)	0.742
Reimbursement Outstanding / (Funding Received In Advance) - Both Schemes	(1.202)		(1.221)	
Breakdown Of Funding Received In Advance:-	(actuals)		(forecast)	
Homelessness Contingency Funding	(0.257)		(0.254)	
General / Core Funding	(0.945)		(0.967)	
Funding Received In Advance (amounts carried forward until they become repayable)	(1.202)		(1.221)	

Note:-

23/24 Costs & Funding are very hard to predict as they depend upon a variety of factors including:-

1. how, and to what extent local housing pressures might arise from (say) future breakdowns in sponsor/refugee relationships
2. the extent to which refugees choose to self-integrate into society (e.g finding work and funding their own private housing)
3. any potential end to the war in Ukraine and/or refugees deciding to return home for their own reasons

The above forecasts are therefore best estimates based on both historic costs and anecdotal evidence. It is worth noting that the government is yet to set an official end date for either scheme.

2023/24 SYRIAN REFUGEES SCHEME	Forecast Expenditure £m	Forecast Funding £m
Expenditure & Funding 2023/24		
<u>Refugee Family Support</u>		
Grant		0.000
Local Authority Funding		0.000
Staff Costs	0.099	
Travel Costs	0.001	
Refugee Accommodation Costs	0.075	
Refugee Nursery Fees	0.005	
Miscellaneous Expenditure	0.007	
Forecast Expenditure and Income 2023/24	0.187	0.000
Forecast Net Expenditure	0.187	

Note

The scheme is coming to an end this year. Total spend is to be funded via reserve of £201k carried fwd from 22/23.

2023/24 AFGHAN REFUGEES SCHEME	Forecast Expenditure £m	Forecast Funding £m
Expenditure & Funding 2023/24		
<u>Afghan Refugees Scheme</u>		
Grant		(0.030)
Local Authority Funding		(0.025)
Staff Costs	0.039	
Refugee Accommodation Costs	0.010	
Miscellaneous Expenditure	0.002	
Forecast Expenditure and Income 2023/24	0.051	(0.055)
Forecast Net Expenditure	(0.004)	

Note

Further grant is expected for this scheme. However, amount and date is unknown, it could be in 24/25.