

Summary

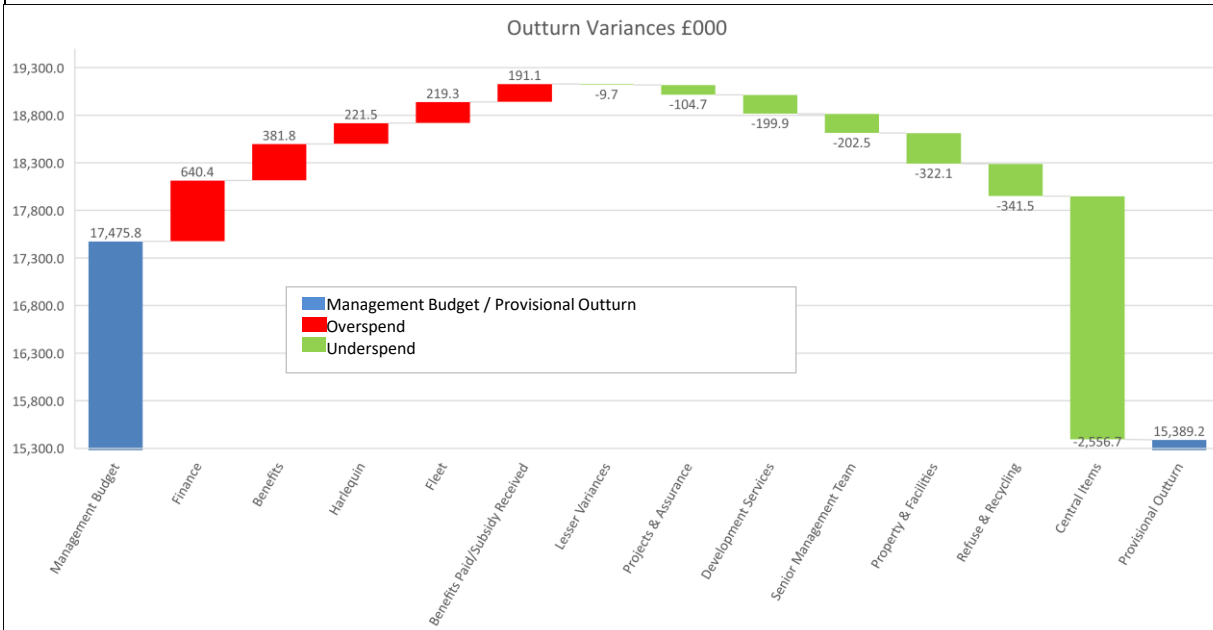
The provisional outturn for Service budgets at the end of Period 12 is £470.1k (3.5%) higher than the management budget; the overall provisional outturn including Central Items is £2.09m (11.9%) lower than budget.

Reconciliation of Original Budget to Management Budget for 2019-20

	£000	£000
Original Budget		16,294.6
Transfers from Reserves:		
Corporate Plan Delivery Fund	461.5	
CIL Funds	719.7	
	1,181.2	
Management Budget		17,475.8

Headline Revenue Budget information 2019-20

	£000
Management Budget	17,475.8
Provisional Year End Outturn	15,389.2
Projected Underspend	(2,086.6) (or -11.9% of the budget)



Provisional Outturn for Services is £470k over budget:

- Finance: Outturn is £640k over budget as a result of additional work required during the 2018/19 audit of the Statement of Accounts, additional work relating to major projects including the Horley Business Park land purchase, Marketfield Way and Baseball, and the use of interim staff to both cover vacancies and to improve finance processes.
- Benefits Team and Benefits Paid/Subsidy Received: Outturn is £573k over budget due to reduced DWP grant, additional consultancy and printing costs, increased Bed & Breakfast placement costs, additional statutory costs and income shortfall due to suspension/cessation of Court recovery as a result of COVID 19 at year-end.
- Harlequin Theatre: Outturn is £221k over budget due to delay in cinema opening and staff costs higher than budget.
- Fleet: Outturn is £219k above budget due to expenditure on spare parts to keep the ageing Fleet running.
- Projects & Assurance: Outturn is £105k lower than budget due to vacant posts.
- Development Services: Outturn is £200k lower than budget due to underspends on Consultancy.
- Senior Management Team: Outturn is £202k lower than budget due to vacant Director post.
- Property and Facilities: Outturn is £322k lower than budget due to new rental income from Salfords Industrial Units offset by lower income from Warwick Quadrant and Marketfield Way.
- Refuse and Recycling: Outturn is £341k lower than budget net (income is £703k higher than budget, offset by overtime and temporary staff costs to cover sickness and additional staff costs for recycling service to flats and extra expenditure on new bins).

Provisional Outturn for Central Items is £2.56m lower than budget:

- Pensions: £1.212m lower than budget due to unspent contingency and release of sums set aside in previous years that are no longer required. The underspend will be transferred to a reserve to help address unfunded COVID-19 budget pressure initially. Any remaining balance will be set aside to start to build up funds in anticipation of the next Pension Fund Revaluation in 2022.
- Headroom Contingency: £737k lower than budget because funds have not been required during the year.
- New Posts Budget: outturn is £91k lower than budget ('one-off budget' established for 2019/20 only)
- Interest on investments: outturn is £626k over budget. Underspend is due to £385k Greensands loan advanced during the year for purchase of land at Horley and £240k interest from other combined investments interest.
- Interest on borrowing: outturn is £86k lower than budget.
- Recruitment costs: outturn is £86k over budget.
- Insurance costs: outturn is £59k over budget.
- External Audit Fees: outturn is £47k over budget due to base budget being lower than fees charged (corrected in 2020/21) and cost of additional work carried out in 2019/20.

2019/20 Provisional Outturn before Reserves Review / Reallocations Revenue Budget: Annex 1

1. General Fund Reserve		£000
Balance at start of year		12,546.8
Less: Transfers out		0.0
Add Projected underspend		2,086.6
Anticipated balance at end of year before Reserves Review/Reallocations *		<u>14,633.4</u>
*Minimum General Fund Balance Required (15% of total Management Budget)	2,600.0	
2. Corporate Plan Delivery Fund (CPDF) Reserve		£000
Balance at start of year		1,206.3
<u>Revenue</u>	Allocation type:	
Carried Forward - Customer Relationship Mgt.	Digital Delivery	9.9
Carried Forward - Staff Recognition Scheme	Staff Development	3.9
18-02 Community Development Team	Staffing	8.6
18-02 Residents Satisfaction Survey	Regeneration	9.0
18-02 One-off Election Expenses	Elections	51.0
18-05 CRM Procurement	Digital Delivery	16.9
18-06 Projects - Corporate Plan	Organisation	8.5
18-08 Feasibility Studies	Place	7.6
18-10 Housing Licensing Resource	Staffing	23.6
18-11 Housing Strategy Development	Place	2.4
19-05 Traveller Preventative Measures	Place	40.0
19-07 Economic Prosperity Officer	Place	38.5
19-08 Community Transition Budget	People	71.1
19-09 Democratic, Commercial & Policy Officer	Organisation	47.3
19-15 Housing Needs Strategy - Consultancy	People	25.0
19-15 DMP Examination -Inspector Costs	Place	65.0
19-21 Community Centre Transformation Costs	People	0.0
19-23 Data Protection Compliance	Organisation	22.0
19-24 Senior Project Consultant	Organisation	11.2
		461.5
<u>Capital</u>		
19-10 Laptops, MS Office 365, Windows 10	Digital Delivery	118.0
19-11 IT Improvements @ The Harlequin	Digital Delivery	69.0
19-12 Civica Upgrade	Digital Delivery	25.0
19-13 Netcall Liberty Upgrade	Digital Delivery	105.0
19-14 Northgate iWorld	Digital Delivery	40.0
		357.0
Balance before any further transfers in year		<u><u>387.8</u></u>
3. Uncommitted Contingencies		
Contingency Budgets		736.5
New Posts Budget		91.2
		<u><u>827.7</u></u>

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
Simon Bland	Economic Prosperity	277.6	38.5	316.1	308.6	(7.5)	Underspend due to minor variances
Kate Brown	Human Resources	546.2	-0.4	545.8	621.0	75.2	Overspend is due to maternity cover for one person within this function staffed through agency cover and iTrent Development costs were not included in original budget.
Richard Robinson	Housing Services	989.7	24.4	1,014.1	988.9	(25.2)	Underspend due to additional income generated from Temporary Accommodation and Masset's Road.
Doula Pont	Senior Management Team	1,184.4	0.0	1,184.4	981.9	(202.5)	The underspend is mainly due to a vacant Director post.
	Projects & Assurance	584.7	1.4	586.1	481.4	(104.7)	Outturn lower than budget due to vacant posts.
	Corporate Support	120.3	0.0	120.3	101.1	(19.2)	Underspend due to reduced Rental costs of franking machines & corporate stationery supplies as a result of new contracts and providers.
Justine Chatfield	Community Development	208.0	193.3	401.3	369.5	(31.8)	Underspend due to downtime of recruitment to vacancies within the team as well as underspend of cost recoveries income from partners.
	Partnerships	269.1	133.3	402.4	314.6	(87.8)	Underspend due to £21.6k unspent Domestic Homicide Review contingency budget, £22k unused Taxi Vouchers and £30k Vacancy underspend due to underlap of recruitment.
	Community Centres	263.5	42.6	306.1	268.0	(38.1)	Underspend is mainly due to renegotiation of the Staywell management fee during 2018/19. This service will be delivered in house from 2020/21 and the 20/21 budget has been amended to reflect this.
	Voluntary Sector Support	421.7	-76.9	344.8	337.6	(7.2)	Underspend due to minor variances
Peter Boarder	Place Delivery	169.5	100.3	269.8	279.5	9.7	The overspend is mainly as a result of £4.5k less than budgeted Surrey County Council recharge and additional computer costs for IT spare parts for new starters.
Morag Williams	Fleet	771.4	6.7	778.1	997.4	219.3	Until the ageing fleet of waste vehicles are replaced, they will require greater expenditure on spare parts to keep running. Waste vehicles are planned to be replaced over a three year period beginning 2020/21.
	Refuse & Recycling	1,302.6	0.0	1,302.6	961.1	(341.5)	The outturn shows £341k underspend. Income is £703k higher than budget offset by overtime and temporary staff costs to cover sickness, additional staff for recycling service to flats and extra spending on new bins.
	Engineering & Construction	54.9	10.5	65.4	98.3	32.9	Reactive spending against flooding has resulted in an overspend.
	Environmental Health & JET	973.6	8.6	982.2	1,051.0	68.8	Variance is predominantly related to Air Quality Monitoring. Growth proposals have been approved during the 2020/21 Budget Setting to correct it. JET overspend on salaries due to maternity cover.
	Environmental Licencing	-296.5	0.0	-296.5	-323.7	(27.2)	Service is remaining on budget with minor variances to income and non-salary expenditure

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
	Greenspaces	1,274.8	286.3	1,561.1	1,521.2	(39.9)	Underspend due to increased Cemetery income in the last few weeks of the financial year.
	Car Parking	-2,202.2	0.0	-2,202.2	-2,029.8	172.4	The under-recovery of income was mainly as a result of a reduction in renewals of tickets purchased in March 2020.
	Street Cleansing	989.1	-3.7	985.4	1,011.8	26.4	The £26k overspend is as a result fall off in income from the Markets.
Duane Kirkland	Supporting People	84.3	0.0	84.3	50.5	(33.8)	Underspend attributable to a full year vacancy within the team
	Supporting Families	90.0	0.0	90.0	90.0	0.0	
	Harlequin	162.9	0.0	162.9	384.4	221.5	There was a delay of opening the Cinema resulting in lower levels of income. There have also been vacancies that have been staffed by agency replacements at a higher cost. There are also supplementary casual staff that are unbudgeted. The 2020/21 Budget includes approved growth bids for £130k to rectify this. In addition there has been a fall in recent income due to closing the Harlequin as a result of COVID-19.
	Leisure Services	-148.6	0.0	-148.6	-91.2	57.4	Outturn was affected as a result of the 2018 restructure - (Ageing Well). A growth bid has been approved for 2020/21. Since Q3 there have been improvement of £16k (£6k Salaries and £10k on sporting projects).
Andrew Benson	Building Control	28.5	0.0	28.5	-11.4	(39.9)	Significantly less than expected expenditure on Consultancy Fees, underspends arising from vacant posts and better-than-expected Planning Fee income have largely resulted in the underspend.
	Development Services	355.2	0.0	355.2	155.3	(199.9)	
	Planning Policy	346.3	698.8	1,045.1	957.0	(88.1)	
Carys Jones	Communications	503.8	-50.4	453.4	465.3	11.9	Overspend mainly as a result of unbudgeted additional one-off training costs.
	Customer Contact	348.9	0.0	348.9	351.7	2.8	Overspend due to minor variances
Darren Wray	Web & Information	183.7	0.0	183.7	201.9	18.2	Overspend mainly as a result of new Software (iSiC) purchased in 2019/20
	Information & Communications Technology	1,180.4	80.4	1,260.8	1,276.4	15.6	In year costs associated with roll out of new laptops to council staff predominately on software licence upgrades. Budget growth has been approved as part of 2020/21 budget process.
Caroline Waterworth	Democratic Services	827.5	44.2	871.7	886.5	14.8	Additional training of new members due to all out Election during the municipal year.
	Electoral Services	403.3	67.8	471.1	470.4	(0.7)	Underspend due to minor variances
	Legal Services	764.8	-3.2	761.6	736.6	(25.0)	The Legal & Procurement outturn is underspent by £25k, due to vacancies.
	Land Charges	-112.8	1.7	-111.1	-159.1	(48.0)	Levels of income were close to budget. Levels of external costs are significantly lower than planned

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
	Property & Facilities	-1,882.0	-60.6	-1,942.6	-2,264.7	(322.1)	The outturn is £322k lower than budget due to new rental from the Salfords property offset by £31k lower income from Warwick Quadrant and Marketfield Way due to voids. The £322k underspend at outturn is £31k less than the £353k reported at Q3 and this mainly due to lower income than expected.
Pat Main	Finance	1,183.6	-85.6	1,098.0	1,738.4	640.4	The outturn is over budget as a result of additional work required during the 2018/19 audit of the Statement of Accounts, additional work relating to major projects including the Horley Business Park land purchase, Marketfield Way and Project Baseball, and the use of interim staff to both cover vacancies and to improve finance processes.
Simon Rosser	Benefits Paid/Subsidy Received	342.8	0.0	342.8	533.9	191.1	The overspend is mainly as a result of a £147k net shortfall in the DWP grant (addressed as part of 2020/21 growth bid), £192k pressure in Housing Benefit/Bed & Breakfast costs due to the increasing number of placements, £50k income shortfall arising from the suspension/cessation of court recovery procedures as a result of COVID-19, £47k overspend on Statutory correspondence billing relating to Council Tax, £59k additional consultancy costs, Software and DWP legislation charges (Northgate), £33k additional corporate subscription cost and £12k additional charge for Experian/IOL credit checking.
	Benefits	-298.4	-118.7	-417.1	-35.3	381.8	
	Local Taxation	-118.7	118.7	0.0	0.0	0.0	
Total Services		12,147.9	1,458.0	13,605.9	14,076.0	470.1	3.5%
Pat Main Central Items	Insurance	452.1	0.0	452.1	511.0	58.9	Insurance budget growth has been approved as part of the financial planning budget process.
	Treasury Management - Interest on Investments	-563.9	0.0	-563.9	-1,189.4	(625.5)	Underspend is due to £385k Greensands loan advanced during the year for purchase of land at Horley and £240k interest from other combined investments interest.
	Treasury Management - Interest on Borrowing	157.0	0.0	157.0	71.2	(85.8)	Underspend due to lower than forecast Borrowing costs budget.
	Treasury Management - Interest on Trust Funds	36.0	0.0	36.0	19.1	(16.9)	Minor favourable variance.
	Minimum Revenue Provision	0.0	0.0	0.0	167.0	167.0	The £167k is a provision set aside for repaying external borrowing (loans). It is a transfer from Revenue to Reserves

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
	Employer Pension costs	2,338.0	0.0	2,338.0	958.9	(1,379.1)	The net underspend of £1.21m comprises: '-£200k budget underspend due to historic overprovision in the budget for the annual lump sum payment for the past service deficit contribution. -underspend of the £208k budget allocated in 2019/20 for enhanced pension payments - £804k reversal of previous years' accruals for enhanced pension payments that Surrey Pension Fund have confirmed are no longer payable as they were addressed in the 2019 pension fund revaluation.
	Apprenticeship Levy	63.9	0.0	63.9	63.9	0.0	
	Recruitment Expenses	16.0	0.0	16.0	102.3	86.3	Fees relating to recruitment of vacant senior posts were higher than budget; including the Director for Organisation, Head of Finance, Property Services Manager and the Finance Team restructure.
	Corporate HR Expenses	66.8	0.0	66.8	85.6	18.8	Overspend due to additional senior staff development costs.
	Central Budget Contingencies	1,280.5	-118.0	1,162.5	426.0	(736.5)	See analysis below.
	New Posts Budget	250.0	-158.8	91.2	0.0	(91.2)	The underspend is the remaining balance on the one-off budget that was created for 2019/20.
	External Audit Fees	50.3	0.0	50.3	97.6	47.3	Higher than forecast fees were incurred due to additional work carried out during the audit compared to the original plan.
	Total Central Budgets	4,146.7	-276.8	3,869.9	1,313.2	(2,556.7)	
	Grand Total	16,294.6	1,181.2	17,475.8	15,389.2	(2,086.6)	(11.9%)
	Central Budget Contingencies						
	Miscellaneous salaries	49.9	0.0	49.9	20.8	(29.1)	Historic unused budget - to be deleted in 2020/21.
	Redundancy and Severance Payments	100.0	0.0	100.0	0.0	(100.0)	No expenditure during the year.
	Headroom Contingency	835.8	-20.0	815.8	50.6	(765.2)	Underspend will offset in-year budget pressures on service budgets.
	Revenue Contributions To Capital	500.0	-98.0	402.0	402.0	0.0	Contributions to Capital expenditure that were funded via this revenue budget.
	Preceptor Grants	57.5	0.0	57.5	37.7	(19.8)	Payments to Parish Councils relating to services which would otherwise be delivered by the Council.
	Miscellaneous income	-262.7	0.0	-262.7	-85.1	177.6	Under-recovery against historic contingency income budgets that have been deleted in 2020/21
	Central Budget Contingencies	1,280.5	-118.0	1,162.5	426.0	(736.5)	