

2021/22 Provisional Outturn

Summary

The provisional outturn for underlying Service budgets is £-0.883m (-5.1%) lower than the management budget; Central budgets are £0.390m (2.9%) higher than budget, resulting in an overall forecast of £-0.493m (-2.7%) lower than budget.

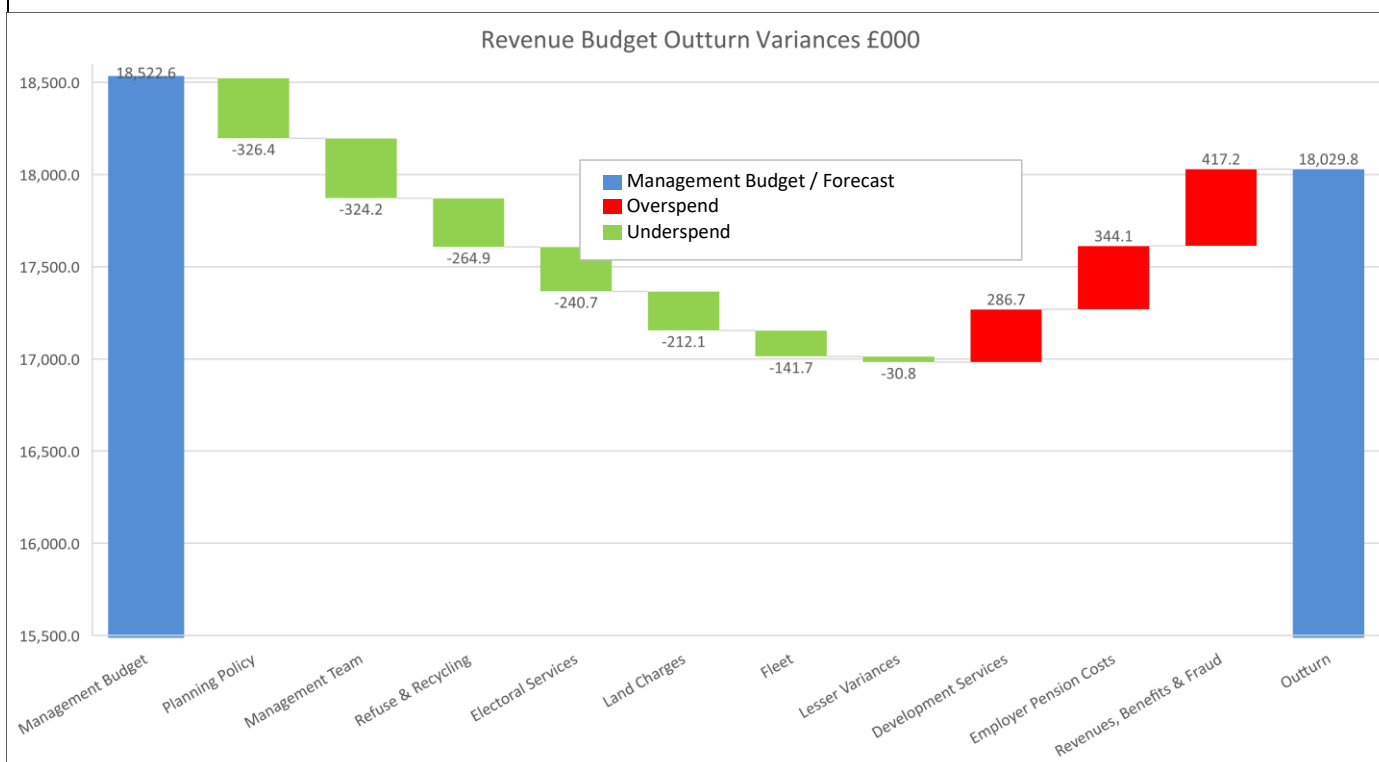
COVID-19 income losses are £1.388m, £0.354m of which are expected to be funded by the Sales, Fees & Charges grant from Government. Inclusion of these net losses results in a provisional outturn £0.541m (2.9%) higher than budget, which will be funded by calling on the £2.000m COVID-19 Reserve that has been set aside for this purpose in 2021/22.

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	324.3	
Capital Schemes (Feasibility Studies) Reserve	589.2	
Environmental Sustainability Reserve	77.2	
Agreed specific unspent Budget carried forward to 2022/23	-81.4	
		1,127.6
<u>Management Budget</u>		<u>18,522.6</u>

Headline Revenue Budget Information 2021/22

	£000	
Management Budget	18,522.6	
Provisional Outturn	18,029.8	
Underspend	<u>-492.8</u>	(-2.7% of the budget)
	- COVID-19 income losses	<u>1,387.5</u>
	- COVID-19 income losses funding	<u>-354.0</u>
Overspend	<u>540.8</u>	(2.9% of the budget)



Provisional Outturn for underlying Services is £-0.883m under budget. Significant variances summarised below:

Planning Policy: £0.326m underspend driven by vacancies across the team are partially offset by higher external consultancy costs.

Management Team: £0.324m underspend as a result of the revised structure of the team.

Refuse & Recycling: £0.265m underspend driven by higher garden waste income, partially offset by higher temporary staff costs.

Electoral Services: £0.240m underspend driven by lower election costs and associated temporary staff and promotional expenditure.

Land Charges: £0.212m underspend driven by higher than expected revenue due to the Stamp Duty holiday.

Fleet: £0.142m underspend driven by lower fuel costs partially offset by smaller budget pressures

Development Services: £0.287m overspend mostly driven by higher external consultancy costs that are offset by savings in staff costs in the Planning Policy area.

Revenues, Benefits & Fraud: £0.417m overspend is mostly attributable to lower DWP subsidy, higher Housing Benefit overpayment and DHP, partially offset by £173k lower salary costs due to four vacancies in the team.

Provisional Outturn for Central Budgets is £0.390m over budget. Significant variances summarised below:

Central Budgets: £0.344m overspend due to historic pension payments to Surrey Pension Fund at year-end.

COVID-19 Ongoing Income Losses

These are detailed at Section 2 and summarised above. To be funded by calling on the £2.000m COVID-19 Reserve set aside to mitigate this risk in 2021/22.

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
Add: Underspend	at 31 March 2022		492.8
Anticipated balance at End of Year before Reserves Review/Reallocations*			<u>3,492.8</u>
*Minimum 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
V21-01 to 04 CPDF Community Centre Review	Community Centres	86.3	
V21-05 Data Insight	Data Insight	172.0	
V21-05 Communications	Communications	66.0	
Balance at end of year			<u><u>536.3</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
V21-27 Horley Car Park		13.1	
V21-27 Project Baseball		39.6	
V21-27 Horley Business Park		536.5	
			<u><u>1,745.5</u></u>
4. Environmental Sustainability Reserve			
The Environmental Sustainability Reserve was established to fund initiatives to improve RBBC's environmental impact			
		£000	£000
Balance at start of year			247.5
ES21-02 Groundworks for Electric Vehicle Charging Points		63.2	
ES21-01 Environmental Sustainability Team		14.0	
			77.2
			<u><u>170.3</u></u>

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000
1. Service Budgets						
1a. Organisation						
Catherine Rose	Corporate Policy	227.8	77.2	319.0	286.7	(32.3)
	Projects & Business Assurance	204.4	0.0	190.4	177.5	(12.9)
Carys Jones	Communications	700.8	262.7	963.5	931.9	(31.6)
	Customer Contact	400.4	0.0	400.4	397.7	(2.7)
Darren Wray	Information & Communications Technology	1,767.4	0.0	1,767.4	1,767.4	0.0
Kate Brown	Organisational Development & Human Resources	785.8	0.0	785.8	773.2	(12.6)
Joyce Hamilton	Legal Services	816.6	-24.7	791.9	664.1	(127.8)
	Land Charges	-105.6	0.0	-105.6	-317.7	(212.1)
	Democratic Services	861.1	0.0	861.1	780.8	(80.3)
	Electoral Services	447.9	169.3	617.2	376.5	(240.7)
	Corporate Support	184.0	0.0	184.0	132.9	(51.1)
Pat Main	Finance	1,326.6	-0.0	1,326.6	1,457.9	131.4
	Property & Facilities	-1,495.1	0.0	-1,495.1	-1,598.4	(103.3)
	Property & Facilities - ongoing COVID income loss	0.0	0.0	0.0	51.0	51.0
	Commercial & Investment	143.4	589.2	732.6	732.6	0.0
1b. Place						
Simon Bland	Economic Prosperity	353.6	0.0	353.6	355.6	2.0
Morag Williams	Fleet	886.6	552.2	1,438.8	1,297.1	(141.7)
	Refuse & Recycling	1,348.1	-417.4	930.7	665.8	(264.9)
	Engineering & Construction	60.9	0.0	60.9	74.5	13.6
	Environmental Health & JET	1,101.4	36.9	1,138.3	1,152.7	14.4
	Environmental Licencing	-203.6	-40.3	-243.9	-138.1	105.8
	Environmental Licencing - ongoing COVID-19 income loss	0.0	0.0	0.0	26.1	26.1
	Greenspaces	1,481.8	-37.0	1,444.8	1,464.8	20.0
	Car Parking	-2,024.8	-7.6	-2,032.4	-1,990.5	41.9
	Car Parking - ongoing COVID-19 income loss	0.0	0.0	0.0	1,030.1	1,030.1
	Street Cleansing	1,006.7	-86.8	919.9	944.6	24.7
	Peter Boarder	Place Delivery	354.5	0.0	354.5	352.5
Andrew Benson	Building Control	45.0	0.0	45.0	-0.1	(45.1)
	Development Services	225.4	2.0	227.4	514.1	286.7
	Planning Policy	457.9	18.0	475.9	149.5	(326.4)
	Planning Policy - ongoing COVID income loss	0.0	0.0	0.0	145.8	145.8

Commentary
Underspend in staff costs
Underspend in staff costs
Underspend in Data & Insight project costs
Minor variance
£63.4k underspend in staff costs offset by £57k additional small IT equipment.
Minor variance
£198.5k underspend in staff costs, driven by vacancies. This is partially offset by £50.4k lower external Legal Fees, £10.7k lower recruitment costs, £9k lower software costs and a £24.7k reduction in income.
£201.3k higher income than budgeted as a result of the Stamp Duty Holiday. £12.2k underspend in SCC Local Land Charges.
£68.0k underspend in staff costs following a restructure,
£70.8k lower elections costs, £65.3k lower promotional & printing costs, £45.5k lower training costs, £42.6k underspend in temporary staff costs
Lower demand generated savings in stationery, office supplies and postage.
Higher staff costs relating to vacancy cover and service development activities
Additional income due to tenants staying in beyond forecast occupancy
Redhill Hotel £40k, Horley Leisure Centre £9k, Priory Park Pavilion £2k.
Minor variance
£91k underspend in staff costs driven by vacancies, £85k underspend in Fuel costs as budgets are now consolidated into one cost centre. These savings were partially offset by an additional £26k of accidental damage to the fleet.
£395k higher than budgeted Garden Waste income, partially offset by £131k overspend in temporary staff.
£13.6k overspend on bus shelter replacement.
Minor variance
Lower ongoing licencing income following pandemic
Minor variance
Contributions to (sustrans) Bike-It transport change charity that cover more than 12 months.
Off-street £984k, On-street £46k.
£18k overspend in staff costs due to higher than budgeted contractual increases. £6k overspend on postage.
Minor variance
The Joint Venture managing the Building Control is expecting to re-invest the total income they expect to realise in 21/22 - hence the nil cost/income against the BC budget, resulting in a £45k favourable variance.
£282k underspend in staff costs driven by vacancies is offset by a £207k overspend on consultancy & contractors and £65k legal settlement costs.

Budget Monitoring: Summary 2021-22

Revenue ANNEX 2: Section 2

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000
1c. People						
Justine Chatfield	Community Development	453.8	-19.6	434.2	395.4	(38.8)
	Partnerships	406.4	-22.8	383.6	335.2	(48.4)
	Community Centres	292.1	76.3	368.4	361.2	(7.2)
	Voluntary Sector Support	295.1	0.0	295.1	281.9	(13.2)
Richard Robinson	Housing Services	999.3	0.0	999.3	1,035.7	36.4
Simon Rosser	Benefits Paid/Subsidy Received	623.0	0.0	623.0	759.2	136.2
	Revenues, Benefits & Fraud	5.1	0.0	5.1	286.1	281.0
	Commercial Trading Account - Revenue & Benefits	0.0	0.0	0.0	0.0	0.0
Duane Kirkland	Supporting People	161.4	0.0	161.4	169.6	8.2
	Supporting Families	90.0	0.0	90.0	173.4	83.4
	Harlequin	446.0	-16.2	429.8	468.4	38.6
	Leisure Services	-89.1	16.2	-72.9	-77.7	(4.8)
	Leisure Services - ongoing COVID income loss	0.0	0.0	0.0	134.6	134.6
1d. Management Team						
Mari Roberts-Wood	Management Team	1,158.2	0.0	1,158.2	834.0	(324.2)
Frank Etheridge	Emergency Planning	39.7	0.0	39.7	56.7	17.0
Total Services including COVID-19 income losses		16,240.0	1,127.6	17,367.6	17,872.3	504.8
Ongoing COVID-19 income losses		0.0	0.0	0.0	1,387.5	1,387.5
Total Services - underlying		16,240.0	1,127.6	17,367.6	16,484.8	(882.8)

Commentary
£25k underspend in staff costs due to higher than required budget. £7k higher external grants.
£33k underspend on Taxi Vouchers due to lower demand, £6k underspend on Domestic Homicide Review.
Underspend in staff costs due to COVID has more than offset lower income levels.
Underspend due to unutilised grant being returned
Small overspends in building maintenance and a small net increase in the cost of B&B provision.
Overspend driven by lower subsidy rate (97.0% down from 99.3%), and higher Cloud Migration costs are partially offset by £143k underspend in staff costs due to vacancies.
Break-even overall.
£23.9k overspend in staff costs, £6k overspend in training are partially offset by a £25k saving relating to a Traveller project that was not required.
£90.3k overspend in staff costs that were offset in other areas, were partially offset by other small savings.
£14.9k underspend in Venue Operation is more than offset by overspends in Catering, Tech & Income Generation
£17.7k underspend in staff costs and £17.2k underspend in Contracted Services were partially offset by lower interest income and other expenses.
Staff cost saving pending management team restructure.
Higher than budgeted consultancy costs

-5.1%

2. Central Budgets

Pat Main	Insurance	460.1	4.9	465.0	458.1	(6.9)
	Treasury Management	-1,033.1	-38.9	-1,072.0	-1,042.6	29.4
	Employer Pension Costs	0.0	0.0	0.0	344.1	344.1
	Minimum Revenue Provision	1,361.0	0.0	1,361.0	1,361.0	0.0
Kate Brown	Apprenticeship Levy	74.5	0.0	74.5	78.2	3.7
	Recruitment Expenses	40.0	0.0	40.0	18.7	(21.3)
	Corporate Human Resources Expenses	86.8	0.0	86.8	72.1	(14.7)
Pat Main	Central Budget Contingencies	0.0	50.2	50.2	113.7	63.5
	Preceptor Grants	37.5	0.0	37.5	38.0	0.5
	External Audit Fees	67.0	-14.0	53.0	45.2	(7.8)
	Internal Audit	61.2	-2.2	59.0	58.5	(0.5)
Total Central Items		1,155.0	0.0	1,155.0	1,545.0	390.0
COVID-19 Income Losses funding		0.0	0.0	0.0	-354.0	-354.0
Grand Total		17,395.0	1,127.6	18,522.6	19,063.3	540.8

2.9%

Minor Variance
Income on investments lower than originally budgeted
Historic pension payments to Surrey Pension Fund at year end
Minor Variance
Lower than anticipated costs incurred
Lower than anticipated costs incurred
Misc Central expenses
Minor Variance
Minor Variance
Minor Variance

Budget Monitoring: Summary 2021-22 - COVID-19 Income Losses

COVID-19 INCOME LOSS OUTTURN 2021/22	21/22 Income Budget £m	19/20 Pre-Covid Income £m	21/22 Expected Income £m	21/22 Expected Loss/Spend £m	
Income Losses:		(a)	(b)	(a-b)	
- Carparking	2.618	2.706	1.588	1.030	Off-Street £984k; On-Street £46k.
- Planning Fees	1.061	1.004	0.916	0.146	Planning Fees.
- Sport & Leisure	0.266	0.263	0.131	0.135	Leisure Provider Fee waived £135k.
- Property Commercial Income	-	-	-	0.051	Redhill Hotel £40k, Horley Leisure Centre £9k, Priory Park Pavilion £2k.
- Licensing & MOTs/Testing	0.196	0.199	0.170	0.026	Premises & Taxi Licences £15k; MOT & Testing £11k.
- Harlequin	0.683	0.755	0.710	no losses	Tickets, Catering, Room & Equipment Hire. Forecast losses were recovered by Q4.
				1.388	

Budget Monitoring: Summary 2021-22 - COVID-19 Expenditure & Funding

Revenue ANNEX 2: Section 3.2

	Expenditure 21/22 £m	Funding 21/22 £m	Funding carried forward to 22/23 £m
2021/22 COVID EXPENDITURE & FUNDING			
Welfare Response	0.332		
Financial Management & Monitoring	0.160		
Revenues & Benefits Team - additional temporary staff	0.118		
Communications/Contact Centre/Data & Insight Team - additional capacity	0.106		
Revenues & Benefits - in-house overtime, software etc	0.105		
Environmental Services/Waste Team - additional capacity	0.096		
Homelessness Prevention	0.094	(0.023)	
ICT support costs	0.091		
'Welcome Back' Expenditure & Funding	0.053	(0.016)	(0.036)
Other expenditure (including Elections)	0.051	(0.039)	
Surge Testing	0.026	(0.026)	
Cultural, Sports, Leisure	0.017		
New Burdens Funding		(0.131)	
Test & Trace Administration Funding		(0.102)	(0.050)
Contain Outbreak Management Funding		(0.274)	
Government COVID-19 Funding Allocation 2021/22		(0.638)	(0.036)
Environmental Health SLA			(0.120)
Council Tax Hardship Fund			(0.255)
Expenditure and Funding	1.249	(1.249)	(0.497)
Net Expenditure / (Funding) 2021/22	0.000		