

CABINET
4 APRIL 2017

HEAD OF FINANCIAL SERVICES
REPORT NO. FIN1713

REVENUE BUDGET MONITORING & FORECASTING 2016/17 POSITION AT MARCH 2017

SUMMARY AND RECOMMENDATIONS:

SUMMARY:

This report informs Members of the latest forecast of the Council's Revenue budget for 2016/17, based on the monitoring exercise carried out during March.

RECOMMENDATIONS:

Members are requested to:

- (i) note the latest Revenue Budget monitoring position;
- (ii) approve the estimates for use of the Service Improvement Fund and
- (iii) approve in principle the transfers outlined in the report between the General Fund, the Stability and Resilience Reserve and the Service Improvement Fund (subject to final outturn position).

1. INTRODUCTION

- 1.1 This report informs Members of the Council's anticipated financial position for 2016/17, based on the monitoring exercise carried out during March 2017.

2. BACKGROUND

- 2.1 During March, budget officers carry out a regular budget monitoring exercise for their services, identifying any variations from the current approved budget that they anticipate will occur in the financial year. The current approved budget is the revised budget for 2016/17 as approved by Council on 23 February 2017 plus any subsequently approved supplementary estimates and virements.
- 2.2 Six supplementary estimates totalling £36,300 have been incorporated into the current approved budget following approval at Directors' Management Board. These include £5,400 for the cost of inspecting empty properties as required by the Council's insurers, £6,400 for honoraria for staff undertaking higher level duties on a temporary basis and for market supplements or due to recruitment conditions in the market, £14,500 support to the Local Plan and £10,000 for site appraisal of potential SANG land. A limited number of virements have been actioned since the revised budget was approved, all of which simply move costs between detailed budget lines or between cost centres in order to improve budget management.
- 2.3 A salary monitoring exercise is carried out in order to identify any salary variances. The level of government grants, interest receivable from the Council's investments and any other corporate income and expenditure are reviewed and updated where necessary.

- 2.4 The original budget for 2016/17 identified the need for £860,000 of savings, in addition to £315,000 of expected staff turnover savings. Substantial savings, in excess of this target, were achieved during the first half of the year and have been incorporated into the revised budgets. A further £50,000 was expected to be achieved through turnover savings during the remainder of 2016/17. The latest monitoring exercise indicates that the Council will achieve additional savings for both salary and non-salary budgets.
- 2.5 The above information is consolidated to produce an updated forecast of the revenue position at the end of 2016/17, at Appendix A.

3 REPORTED VARIANCES

- 3.1 Budget officers have identified a net underspend of approximately £666,000 against their non-salary budgets. A summary of the key variances is set out at Appendix B, with some of the key points being referenced in the following paragraphs.
- 3.2 Corporate Services portfolio continues to perform well with a significant reduction already having been made to net service costs in the revised budget due to the successful implementation of a strategy to acquire commercial property for investment income. A further £195,000 of savings have been reported in this portfolio largely due to fluctuations in income and expenditure as new arrangements for managing the property portfolio bed in, alongside a number of procurement savings in ICT and Facilities.
- 3.3 Environment and Service Delivery portfolio contains a number of the largest expenditure and income streams for the Council, such as expenditure on major contracts for Recycling and Street Cleansing, parking provision in the Borough and the production of the Council's Local Plan. £165,950 net savings have been identified in this area, which is the second largest portfolio by net spend. £81,000 of this variance is in respect of the inspection of the Local Plan, which will now take place in 2017/18.
- 3.4 Business, Safety and Regulation portfolio reports £142,600 net savings again largely due to fluctuations in major income streams such as Bereavement Services, planning applications and market income which were not foreseen during the revised budget setting exercise.
- 3.4.1 The number of cremations rose significantly in later months of the current year as compared to 2015/16 with 477 cremations planned for the final quarter of 2016/17 compared to 400 in 2015/16 (on which the estimates were based). After minor adjustments for earlier months, a total of 69 additional cremations have been factored into the estimate for 2016/17 providing around £53,000 of additional income.
- 3.4.2 For planning applications budget estimates are made having regard to average numbers of planning applications received in any year but it is more difficult to predict the timing and frequency of larger applications, which can have a significant effect on income levels. In the current year, three large applications were received during the latter part of the year, boosting income considerably.

- 3.4.3 Markets and car boot income was reforecast following Report COMM1619 to Cabinet in September 2016. This report recognised a number of operation and economic constraints and set out a plan to vary days of operation and charges, to bring income back on track by 2017/18. However, Aldershot car boot sale and Aldershot Monday market are not performing to expectations. This is unlikely to change considerably until trade picks up in Aldershot as a whole. Farnborough markets and car boot sales continue to perform well with just a slight deficit on the Friday market. The continued development of craft fayres is expected to return the income to planned levels in the future. Other work is taking place to reduce running costs and improve efficiency.
- 3.5 Leisure and Youth is the largest portfolio by net spend containing budgets for Leisure facilities, the Princes Hall theatre and for the Council's Grounds Maintenance contract. £167,800 of net savings have been identified in this area with significant additional income being achieved at the Princes Hall, over and above increases already factored into the revised budget. Earlier estimates of attendance for the pantomime were 18,000 to 18,500 but were actually 19,500 providing around £25,000 additional income. Sales for Tribute shows in particular have also exceeded earlier expectations.
- 3.6 A small proportion of the overall variance is due to changes in income that are either ring-fenced for use outside of the general fund or have been received in advance for future years' funding. These amounts are not available for spending on general activities and will be transferred to various reserves as follows:
- £38,500 additional income in respect of s106 developers' contributions for Suitable Alternative Natural Green Space (SANGS) which is ring-fenced for spending on SANGS provision and maintenance
 - £65,500 income in respect of changes to amounts drawn from prior year grants
 - A reduction of £4,000 in income required to be ring-fenced as part of the Civil Parking Enforcement (CPE) surplus
- 3.7 The staff monitoring exercise has identified a net projected underspend of £102,210 from salary savings, which exceeds the £50,000 expected to be delivered against the revised budget.
- 3.8 Estimates for interest receivable have been reduced due to the reduction in rate of return on some of our pooled funds, which have fallen slightly since the UK's decision to exit the European Union. It should be noted however, that returns are still significant with the highest performing funds returning revenue interest of 4.22% and 4.74%. Interest payable on borrowing has reduced slightly due to a reduction in our borrowing requirement (largely due to slippage in the capital programme) and the exceptionally low interest rates the Council has been able to access for short-term borrowing from other Local Authorities, for example. This combination has resulted in a reported variance of £16,000.
- 3.9 The revised budget shows £178,000 revenue contribution towards Improvement Grants (Disabled Facilities Grants) which are a statutory duty for the Council. For 2016/17, funding towards this from the Better Care Fund considerably increased from £425,000 to £816,000 and officers have been monitoring the position to review whether the Council 'top-up' from Revenue resources would be required. The latest forecast shows that the spend during the year will be contained within

the grant figures without drawing on revenue funding, thus achieving £178,000 saving in the current year.

- 3.10 Due to additional work carried out on recovery of sundry debtors, the Council will no longer require an increase in its provision for doubtful debts, leading to a £25,000 reduction against the revised budgets. Continued work in this area may well reduce the provision moving forward and will be reported as part of the provisional outturn report in May.
- 3.11 As a result of the variations referred to above, the general fund forecast shows a projected year-end balance of £2.7 million before reviewing the level of transfers to or from major reserves such as the Stability & Resilience Reserve or the Service Improvement Fund. A summary of the movement is set out in the following table:

| | £000 |
|---|--------------|
| Forecast balances at revised budget setting | 1,945 |
| Less: | |
| Supplementary Estimates | (36) |
| Reduction in interest receivable | (16) |
| Additional transfers to Reserves | (100) |
| Plus: | |
| Non-salary variances identified by services | 666 |
| Salary savings | 52 |
| No requirement for contribution to Improvement grants | 178 |
| Change in bad debt provision | 25 |
| Current forecast balances for end of 2016/17 | 2,714 |

- 3.12 Included in the figures above are a number of underspent budget headings where works that have not been concluded in the current year, but will still be required during 2017/18. It is therefore likely that a carry-forward request will be made for these items. Carry-forwards will however be kept to a minimum due to the pressures on spending over the medium-term. The current estimate for carry-forwards to be met from general fund reserves is just £23,000, which would have only a marginal effect on total balances.

4 LEVEL OF RESERVES

- 4.1 The level of balances shown for the General fund is in excess of the approved range of £1 million - £2 million but includes a forecast drawdown from the Stability and Resilience Reserve of £800,000. Consideration should be given to balances across the three main working reserves – the General Fund, the Stability and Resilience Reserve and the Service Improvement Fund – to determine the appropriate levels to hold in each in accordance with the Financial Strategy.
- 4.2 The Council could simply decide to reduce the level of drawdown from the Stability and Resilience Reserve and maintain the General Fund at the top of the agreed range (£2 million).
- 4.3 The Stability and Resilience Reserve was set up to allow the Council to weather

fluctuations in its net expenditure while consideration is given to longer-term plans for meeting any funding gap. This means that actions are thought-through and well-considered rather than relying on quick fix, unsustainable solutions. Given the volatility in our income streams, especially around the operation of the Business Rates Retention Scheme, it is prudent to hold a reasonable reserve for this purpose. This is particularly relevant as we move into the first year of a new ratings list, with the potential impact on the level of appeals and the increasing level of political debate around the future operation of the rates system, creating additional uncertainty and volatility.

- 4.4 The balance on the fund at the start of 2016/17 was £3.85 million and in some years the Council has had to draw up to £2.4 million from the reserve to cover short-term fluctuations in income as described above.

- 4.5 The Service Improvement Fund is held to support key projects such as invest-to-save schemes, which underpin the Council's 8-Point Plan for a sustainable organisation. The table below shows the use of the Fund as approved in the revised budget alongside the latest estimates of expenditure for both the current and future years.

| | 2016/17 Revised Budget | 2016/17 Forecast | 2017/18 Forecast | 2018/19 Forecast |
|---|------------------------------|---------------------|---------------------|---------------------|
| SERVICE IMPROVEMENT FUND | | | | |
| Opening balance on Fund | 446,792 | 446,792 | 128,122 | 38,442 |
| Local Authority Data Transparency Code | 34,300 | 35,700 | 0 | 0 |
| Eprocurement Platform Hosting Fee | 2,000 | 2,000 | 0 | 0 |
| Better Use of Assets | 24,900 | 26,860 | 0 | 0 |
| Land Charges - work to transfer responsibility to Land Registry | 9,000 | 9,000 | 0 | 0 |
| Procurement of the Waste Contract | 51,300 | 103,780 | 0 | 0 |
| Customer & Digital Project Manager (Redirected to Flexible Use of Capital Receipts) | 18,000 | 0 | 0 | 0 |
| Organisational Development Framework | 6,300 | 6,300 | 0 | 0 |
| Digital & Customer Workstream | 50,200 | 76,300 | 30,000 | 0 |
| Strategic review of the Channel Shift programme | 4,600 | 4,600 | 0 | 0 |
| Pension Advice | 1,500 | 0 | 0 | 0 |
| HR Policy | 54,900 | 54,130 | 59,680 | 9,950 |
| Expenditure in year | 257,000 | 318,670 | 89,680 | 9,950 |
| Closing balance | 189,792 | 128,122 | 38,442 | 28,492 |

- 4.6 Based on current projections it can be seen that there is only around £28,500 of Service Improvement Fund remaining to be allocated against projects. Given the level of use of the fund in the current year (£318,670), it would be prudent to increase the funding available to support key projects. The Council also has the flexibility to use some of its Capital Receipts to support revenue spending in the pursuit of efficiency and service transformation. As can be seen from FIN1715, elsewhere on the agenda, that funding has also been fully allocated. With the size of the funding gap and the challenges ahead to deliver net revenue savings, the Council should consider increasing both of these resources.

- 4.7 This report proposes that should the savings reported in section 3 of the report be realised, then the drawdown from Stability and Resilience Reserve should be reduced from £800,000 to £386,000 and that £300,000 be transferred to the Stability and Resilience Reserve, leaving the General Fund balance at £2 million.

4.8 The overall effect on the main working balances will be as follows:

| Revenue Balances | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| General Fund Balance | 2,000 | 1,520 | 1,527 | 1,514 |
| Stability & Resilience Reserve | 3,422 | 3,022 | 2,622 | 2,222 |
| Service Improvement Fund | 428 | 328 | 228 | 128 |
| Estimated Balances at 31 March | 5,850 | 4,870 | 4,377 | 3,864 |
| | 7.31% | 6.09% | 5.47% | 4.83% |

4.9 Using projections for the General Fund and Stability and Resilience Reserve from the current Medium-Term Financial Forecast, and assuming an even attrition rate for Service Improvement Fund over the period, this would maintain balances over the medium-term close to the minimum level of 5% of gross expenditure set in the Financial strategy.

4.10 The level of these proposed transfers will be dependent on the final outturn position for the year 2016/17. A provisional outturn report will be presented to Cabinet during May 2017.

5 RISKS

5.1 Due to the level of known financial risk, flexibility has been built into the Council's financial plans by setting aside reserves to be used to manage fluctuations in expenditure or income, to mitigate against other known risks and to support key projects such as invest-to-save schemes, which underpin the Council's 8-Point Plan for a sustainable organisation.

5.2 Considerable progress has been made in the implementation of income generation plans such as those from commercial property acquisition. Other income generation projects such as the in-house delivery of markets and car-boot sales have been embedded into service delivery and are being pro-actively managed to maintain significant income streams, while others such as digital advertising initiatives are being progressed over the medium-term.

5.3 When considering the 8-Point Plan and the projects within it that need to be progressed, some consideration must be given to the resources required to complete the projects and achieve the savings in a timely manner. The plan is supported by both the Service Improvement Fund and the flexible use of capital receipts, both of which have been largely allocated against projects. Consideration is given in section 4 to increasing the Service Improvement Fund, and in report FIN1715 regarding the flexible use of capital receipts, in order to mitigate against the risk of non-delivery of projects due to insufficient resource

5.4 Continued fluctuations in business rate income and the potential changes to the system coming forward as part of the 100% retention scheme underline the need for reasonable levels of reserves to mitigate against the risk of sudden downturns in major income streams.

5.5 Other down-side risks that should be considered are:

- The playing out of the consequences of the UK's decision to leave the

European Union. This may include implications for pension schemes and the Council's future contributions to the Hampshire Scheme, the value of properties including those recently purchased, the interest earned on the Council's investments or payable on its borrowings

- Deterioration in income streams due to the economic climate including planning fees, parking income and rents
- The potential centralisation of land charges
- Pressure on services from demographic change
- Pressure on services due to legislative changes. For example, Welfare reform, Housing and Planning Act
- Increasing issue of street homelessness
- Potential refunds of smart cards for parking which will no longer be operable with the new parking machines

6 CONCLUSIONS

- 6.1 There will always be variances reported in-year against budgets due to the Council adapting its priorities to manage inevitable changes in demand pressures and having a flexible approach to changing circumstances. The total level of variances reported (before any changes to reserves as described in section 4, is £805,000. While this has a large effect on balances, it should be noted that it is less than 1% of the Council's turnover (i.e. expenditure plus income) of around £115 million.
- 6.2 Savings requirements for the current year have been more than achieved with significant variances reported in this quarter, largely due to increasing income in the quarter or reductions in demand led, reactive budgets.
- 6.3 However, we are currently experiencing a limited number of downturns to current income streams, such as markets or penalty charge income, which need to be addressed. In addition, the operation of the business rates retention scheme continues to cause annual fluctuations in budgets that are disjointed from their eventual effects due to the operation of the surplus/deficits on the collection fund.
- 6.4 Should Cabinet agree the proposed levels of transfer to and from the Service Improvement Fund and the Stability and Resilience Reserve, the general fund balance is estimated to stand at the top of its approved range and the total of working balances will meet the requirements set in the Medium Term Financial Strategy.
- 6.5 While this report provides reassurance for the current financial year, the scale of the challenge over the medium-term is considerably greater and efforts should be concentrated on moving forward the 8-Point Plan to achieve a sustainable financial future.

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GENERAL FUND REVENUE BUDGET SUMMARY

APPENDIX A

| | Revised Estimate 2016/17 £000 | Current Approved Estimate 2016/17 £000 | Forecast Outturn 2016/17 £000 |
|--|--|--|--|
| PORTFOLIO EXPENDITURE | | | |
| 1 Corporate Services | 748 | 763 | 568 |
| 2 Environment and Service Delivery | 3,785 | 3,799 | 3,633 |
| 3 Concessions and Community | 1,863 | 1,859 | 1,879 |
| 4 Health and Housing | 1,614 | 1,614 | 1,600 |
| 5 Business, Safety and Regulation | 2,637 | 2,638 | 2,495 |
| 6 Leisure & Youth | 4,191 | 4,201 | 4,033 |
| 7 PORTFOLIO NET EXPENDITURE | 14,838 | 14,874 | 14,208 |
| 8 Capital Accounting Charges - reversed | (1,996) | (1,996) | (1,996) |
| 9 IAS 19 Pension costs - reversed | (8) | (8) | (8) |
| 16 NET EXPENDITURE AFTER ADJUSTMENTS | 12,834 | 12,870 | 12,204 |
| 11 Reductions in Service Costs/Income Generation | | | |
| 12 Vacancy Monitoring | (50) | (50) | (102) |
| 13 Corporate Income and Expenditure | (370) | (370) | (379) |
| 14 Contributions to/(from) Reserves | (232) | (232) | 404 |
| 15 Central Government Funding | (6,463) | (6,463) | (6,463) |
| 16 NET TOTAL EXPENDITURE | 5,719 | 5,755 | 5,664 |
| 17 Contribution to/(from) balances | (55) | (91) | 0 |
| 18 COUNCIL TAX REQUIREMENT | 5,664 | 5,664 | 5,664 |

| | | | |
|--------------------------|-------|-------|-------|
| REVENUE BALANCES | | | |
| 19 1 April | 2,000 | 2,000 | 2,000 |
| 20 General Fund Transfer | (55) | (91) | 0 |
| 21 31 March | 1,945 | 1,909 | 2,000 |

Notes:

| | | | |
|--|----------------|----------------|----------------|
| 13 Corporate Income and Expenditure | | | |
| Interest Receivable | (782) | (782) | (763) |
| Interest Payable | 13 | 13 | 10 |
| Collection Fund (Surplus)/deficit - CTax | (91) | (91) | (91) |
| Collection Fund (Surplus)/deficit - NNDR | 361 | 361 | 361 |
| Other corporate income and expenditure | 129 | 129 | 104 |
| Total | (370) | (370) | (379) |
| 14 Contributions to/(from) Reserve Accounts | | | |
| Revenue Contributions to Capital Programme | 550 | 550 | 550 |
| Revenue Contributions to Improvement Grants | 178 | 178 | - |
| Transfer to CPE Surplus Account | 224 | 224 | 220 |
| Contributions to/(from) earmarked reserves/prior year grants | (127) | (127) | (23) |
| Transfer to/(from) Service Improvement Fund | (257) | (257) | 43 |
| Transfer to/(from) Stability and Resilience Reserve | (800) | (800) | (386) |
| Total | (232) | (232) | 404 |
| 15 Central Government Funding | | | |
| New Burdens Grant/Other non ring-fenced funding | (113) | (113) | (113) |
| New Homes Bonus | (1,994) | (1,994) | (1,994) |
| Revenue Support Grant | (1,104) | (1,104) | (1,104) |
| RBC share of rates collected | (19,018) | (19,018) | (19,018) |
| Tariff payable | 15,305 | 15,305 | 15,305 |
| Levy payable | 781 | 781 | 781 |
| S31 grants in relation to business rates | (320) | (320) | (320) |
| Total | (6,463) | (6,463) | (6,463) |

APPENDIX B

The variances identified by services during the March 2017 budget monitoring exercise and amounting to a net underspend of approximately £666,000 are shown below:

| Corporate Services Portfolio | £000 |
|--|-------------|
| Industrial Estates | |
| Increase in income due to backdated income from a property in Holder Road | (12) |
| Belle Vue Enterprise Centre | |
| Reduction in repairs & maintenance, lower commission charges, retention of some rent deposits and improved debt recovery performance | (10) |
| Town Centres | |
| Increase in income due to backdated rent received re 98 Queensmead, coupled with a modest saving on grounds maintenance | (60) |
| Wellesley House, 10a Eelmoor Road | |
| Rental income not generated due to works taken longer than planned | 15 |
| 114-116 Dominion Road, Worthing | |
| Reduction in income due to annual rent being lower than originally anticipated | 13 |
| Legal Support Service | |
| Likely reduction in spend on Counsel fees | (10) |
| Cost of cutting electricity supply to 237 High Street (specific budget) no longer required | (6) |
| Income received due to out sourcing of staff member to another authority | (16) |
| Estates Support Service | |
| Increase in spend on property valuations | 15 |
| Members Expenditure | |
| Reduction in supplies & services | (7) |
| Customer Services Unit | |
| Reduction in postage costs | (11) |
| Corporate Services Portfolio continued on next page | |

| <i>Corporate Services Portfolio continued</i> | £000 |
|---|-------------|
| Communications | |
| Reduction in spend on citizens consultation and engagement and lower website development costs | (16) |
| Council Tax | |
| Increase in court costs collected from council taxpayers and modest reduction in Magistrates' court fees and software development | (13) |
| Council Offices | |
| Reductions in cost of energy, office security, repairs & maintenance and lower subsidy for the canteen | (22) |
| Additional income received relating to room bookings for Hampshire County Council and Community Rehabilitation Company | (10) |
| Print Room | |
| Reduction in expenditure on photocopies coupled with lower costs of paper from an alternative supplier | (8) |
| Application Support | |
| Application software cost reduction achieved in striking new agreement | (13) |
| Technical Services | |
| Various reductions across supplies & services, reduction in use of g/on tokens and improved procurement of specific software | (17) |
| Other variances within this portfolio | (7) |

| | |
|--|-------------|
| <i>Environment and Service Delivery Portfolio</i> | £000 |
| Street Cleansing | |
| Reduction in spend on specialist cleaning | (10) |
| Reduction in spend on Highways contract non-routine works | (29) |
| Reduction in spend on contract payment | (10) |
| Car Parks | |
| Reductions in lift & machine maintenance, publicity & advertising, drainage and other supplies and services | (21) |
| Notional increase in 'free' parking permits to charities/voluntary organisation, the additional notional cost of these 'free' parking permits is shown under Grants to Major Organisations (Concessions and Community | (30) |
| Additional Pay and Display income | (27) |
| Additional season ticket permit income | (11) |
| Shortfall in smartcard income as smartcards top ups have declined/ceased with the smartcard scheme coming to an end and customers converting to Pay and Display and permits | 10 |
| Parking Management | |
| Anticipated shortfall in Pay and Display income due to potential interruption expected in March 2017 during the process of new ticket income machine installation | 16 |
| Shortfall in penalty charge notice income for both on-street and off-street parking due to staff vacancy | 27 |
| Planning Policy | |
| In 2015/16, funds were carried forward for the inspection of the new Local Plan once ready. This stage will not be reached in 2016/17 therefore funds will be needed next year, a carry forward will be requested (£65,500 of this is PDG funds in Earmarked reserves) | (81) |
| <i>Concessions and Community Portfolio</i> | £000 |
| Grants to Other Organisations | |
| Additional notional cost of 'free' parking permits given to charities/voluntary organisation | 30 |
| Other variances within this portfolio | (10) |

| | |
|---|-------------|
| <i>Health and Housing Portfolio</i> | £000 |
| Housing Advice | |
| Reduction in expenditure on rent deposit/bonds | (12) |
| Other variances within this portfolio | (3) |
| <i>Business, Safety and Regulation Portfolio</i> | £000 |
| Licensing General | |
| Additional income mainly from premises licence income following proactive enforcement follow-up work | (10) |
| Community Safety | |
| Reduction in spend mainly on signage, alcohol awareness programme, junior citizens scheme and publicity and advertising | (11) |
| Cemeteries | |
| Shortfall in grave sales linked to trend towards smaller cremated remains plots' choice | 22 |
| Crematorium | |
| Reduction in spend on utility bills | (17) |
| Additional income from additional cremations | (59) |
| Markets and Car Boot Sales | |
| Shortfall in markets and car boot sales income | 39 |
| Development Management | |
| Increase in income relating to Section 106 administration charges. | (30) |
| Increase in planning application income on a few big projects which could not necessarily be foreseen | (93) |
| Building Control Fees | |
| Reduction in income relating to the Shared Building Control Service | 18 |
| Other variances within this portfolio | (1) |

| <i>Leisure and Youth Portfolio</i> | £000 |
|---|-------------|
| Aldershot Indoor Pool | |
| Reduction in spend on the contractual energy payment calculated using the recent gas and electricity indices | (22) |
| Grounds Maintenance Contract | |
| Reduction in spend on non-routine grounds maintenance | (13) |
| Parks and Recreation Grounds | |
| Reduction in spend on tree survey works | (11) |
| Reduction in spend on playground apparatus | (10) |
| Additional spend on Section 106 revenue projects due to additional small projects being completed in the current year. Section 106 revenue projects are funded through developers contributions | 14 |
| Additional drawdown on Section 106 developer contributions due to additional small projects being completed in the current year | (14) |
| Developers income received for Southwood Woodlands SANG * | (19) |
| Developers income received for Rowhill SANG * | (19) |
| <i>* These SANG receipts will be transferred to the SANG earmarked reserve from the general fund at year-end</i> | |
| Princes Hall | |
| Additional casual staffing costs offset with vacancy savings showing in direct salaries | 20 |
| Reduction in spend on utilities | (16) |
| Net additional ticket sales income | (45) |
| Additional letting income | (10) |
| Other variances within this portfolio | (23) |

| <i>All Portfolios</i> | £000 |
|---|-------------|
| Total Non-Salary Portfolio Variances (all Portfolios) | (666) |