

**GENERAL FUND PROVISIONAL OUTTURN 2017/18**

**SUMMARY AND RECOMMENDATIONS:**

**SUMMARY:**

This report sets out the provisional outturn position on the General Fund (revenue and capital) for 2017/18 (subject to audit).

**RECOMMENDATIONS:**

Members are requested to:

- (i) note the latest Revenue and Capital Budget monitoring position;
- (ii) approve 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 The General Fund Revenue Summary and Revenue Balances are shown at Appendix A, with the principal individual variations between the current approved estimates and actual expenditure shown at Appendix B. These show an improved position since the last budget monitoring report to Cabinet (FIN1815) 17<sup>th</sup> April 2018.
- 1.2 The General Fund Capital outturn is shown at Appendix C with the principal variations on individual schemes being shown at Appendix D.
- 1.3 In order to comply with the Accounts and Audit Regulations 2015, a full set of financial statements will be prepared for sign off by the Chief Financial Officer by 30 May 2018. The statements will be audited during the summer, before consideration by the Licensing and General Purposes Committee in July alongside the Auditor's report. These reporting deadlines have been brought forward by one month for production of the draft statements and by two months for the final audit and approval date.

**2 GENERAL FUND REVENUE SUMMARY**

- 2.1 In its original budget for 2017/18, the Council set a savings figure of £550,000 to be achieved through reductions in service costs and additional income generation, in addition to £320,000 of expected staff turnover savings. As reported through budget monitoring, these savings were achieved during the first half of the year and were incorporated into the

revised budget, as shown in Appendix A.

- 2.2 The revised budget figures have been further adjusted to reflect any subsequent virements, supplementary estimates and use of the service improvement fund, to form the current approved budget, with estimated year-end balances of £1.42 million.
- 2.3 The provisional outturn shows an improvement in the Council's financial position, with a favourable variance of approximately £1,129,000 against the current approved budget and £550,000 compared with the last budget monitoring position, before accounting for any final transfers between the General fund and the Stability and Resilience Reserve.
- 2.4 This improvement in our financial position is due to a number of factors such as those listed below:
  - i) Continued restraint on spending exercised by budget holders in the final months of 2017/18
  - ii) Significant additional income for a number of services during the final months of 2017/18, above the volumes expected during the budget monitoring exercise
  - iii) Savings on employee costs across all portfolios
  - iv) Reduction in IT support costs
  - v) Other additional grant funding
- 2.5 Due to the wide range of services provided by the Council, there are over 100 different cost centres. Small variances on each, while not individually significant to report during budget monitoring, can mount up to a significant sum at the year-end, both positive and negative.
- 2.6 The total net underspend of £1,129,000 represents a variation of less than 1% on the Council's combined income (£72.7m) and expenditure (£78.6m) budgets of around £151m but has a large impact on the level of balances. A detailed list of the principal variations between the provisional outturn position and the current approved budget is attached at Appendix B.
- 2.7 Included in the variations identified, are a number of underspent budget items totalling £341,440 where specific conditions have prevented work being carried out during 2017/18 but this work is still required and therefore will be carried out during 2018/19.
- 2.8 £109,280 of these carry-forwards relates to expenditure that is directly funded by external grants, and therefore has no effect on the General Fund Revenue balance as grants have been set aside to meet this future expenditure.
- 2.9 This leaves £232,160 to be set aside from the General Fund balance in 2017/18 in order to meet the expenditure now planned for 2018/19.
- 2.10 The net effect of these variances would increase the General Fund revenue balance to approximately £2.55 million, which is in excess of the range of balances (£1 million - £2 million) set out in the Medium Term Financial

Strategy. As approved by Cabinet in the March budget monitoring report, it is planned to move any amount over the £2m upper limit for the General Fund to the Stability and Resilience Reserve in order to mitigate risk to the medium term financial forecast.

- 2.11 The Council continues to face considerable uncertainty in its future funding streams from central government arising from the end of the current spending review period, which could see changes to the overall level of funding for local government, the introduction of the 75% Business Rates Retention Scheme and the review of funding allocations between local authorities (Fair Funding Review). All of which apply from 2020/21.
- 2.12 In the Strategy for the Flexible Use of Capital Receipts presented to Council in February 2018, a receipt of around £380,000 was identified to be set aside to support organisational change. It has subsequently been clarified that this receipt is a revenue item and not a capital receipt and therefore cannot be used to support the aforementioned strategy. However, the same objective is achieved by transferring this receipt from the general fund revenue account to the Service Improvement Fund, where it can be used to support invest-to-save and efficiency projects in the same way.
- 2.13 Taking into account the above, and assuming a steady draw of £200,000 per annum on the Service Improvement Fund, the overall effect on the main working balances will be as follows:

<b>Revenue Balances</b>	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
General Fund Balance	2,000	2,000	2,000	2,000
Stability & Resilience Reserve	4,358	4,358	4,358	4,358
Service Improvement Fund	891	691	491	291
<b>Estimated Balances at 31 March</b>	<b>7,249</b>	<b>7,049</b>	<b>6,849</b>	<b>6,649</b>
	9.27%	9.01%	8.76%	8.50%

This would maintain working balances above the 5% target approved in the Medium-Term Financial Strategy and increase resilience, which is appropriate given the level of financial risk ahead.

### **3 GENERAL FUND CAPITAL OUTTURN**

- 3.1 The Capital Outturn Summary at Appendix C shows a total net underspend of £20,004,000 against the current approved budget.
- 3.2 This net underspend is due mainly to the re-scheduling of work on a number of projects, with a consequent slippage of £19,936,000 into 2018/19. A small number of capital projects have expenditure that is in excess of this year's budget and the 2018/19 budget allocations for these items will be reduced accordingly. The following table provides analysis:

<b>Analysis of capital expenditure and approved budget for the year 2017/18</b>	<b>£000</b>
Total approved budget for the year	32,399
Capital projects underspent and (budget) slipped through to 2018/19	(19,936)
Expenditure in excess of 2017/18 budget (resulting in reduction of 2018/19 budget)	32
Overspends	84
Underspends	(184)
<b>Actual capital expenditure in the year 2017/18</b>	<b>12,395</b>

- 3.3 The most significant variations are listed in Appendix D.
- 3.4 The capital resources not used due to slippage will transfer into 2018/19.
- 3.5 As indicated in the Capital Monitoring report considered by Cabinet in April 2018, work continues on the provision of a Depot to support the new Waste, Grounds Maintenance, Recycling and Street Cleansing contract. This is a significant project spanning two financial years, which will culminate in the addition of a valuable asset to the Council. In March 2018, Cabinet approved a variation to the Capital budget for this project of £210,000 with an additional £100,000 contingency. Subsequent monitoring reports continued to draw Member's attention to the risk of unforeseen issues within a project of this scale that could cause further pressure on the budget.
- 3.6 Significant additional costs have now been identified in respect of "dewatering" i.e. pumping ground water out of excavations for the placement of attenuation tanks (part of the required drainage solutions for the site). A large proportion of these costs will fall to the Council rather than the Contractor, as the water is contaminated and therefore is more costly to dispose of. (Contamination costs were excluded from the contract). The costs of this dewatering, estimated time extension due to the delay, and other smaller, additional costs amount to approximately £870,000 which will fall into 2018/19. The Council is doing everything it can to ensure the delivery of this major project, including challenge and verification of costs incurred. Final costs for the project cannot yet be determined, as some elements of the work are to be delivered by external parties, outside the control of both the Contractor and the Council and further costs and delays may be incurred.

#### **4 CONCLUSIONS**

- 4.1 The figures contained within this report are provisional and subject to external audit.

- 4.2 In the past year, the Council has seen results from its 8-point plan, which has enabled it to strengthen its financial position and help it to meet the pressures arising from future changes in central government funding, the economic climate and other known risks. For example, purchase of commercial property to increase rental streams to the Council.
- 4.3 Looking forward, the Council's new organisational structure, its modernisation and improvement plan and the replacement and refresh of the 8-point plan under the Rushmoor 2020 transformation programme should see continued positive results. This increased focus on financial sustainability, the shift towards a more commercial approach and improving the customer experience of our services, will see a shift in culture throughout the organisation, with a greater emphasis on performance and delivery. The detail of these plans is set out elsewhere on the Cabinet's agenda for this (May 29<sup>th</sup>) meeting.
- 4.4 Against this background, the Council continues to face significant challenges for the future. It is therefore prudent to continue with the financial strategy built around savings and efficiencies and the retention of sufficient reserves to support improvement and to mitigate fluctuations in income and expenditure.
- 4.5 After allowing for transfers to reserves, the General Fund revenue balance for 2017/18 is estimated to stand at £2.0 million, at the top of the approved range, while the total for working balances sits comfortably above the 5% minimum target set in the Financial Strategy, thus providing additional flexibility moving into 2018/19. This is appropriate given the scale of change the organisation has planned over the medium term and the external financial challenges it is facing.
- 4.6 With the uncertainties surrounding the introduction of the 75% Business Rates Retention Scheme, in terms of its final operation, it is increasingly important that the Council delivers the net cost reductions required over the medium-term to balance its budget and to put itself in the strongest position it can before the new funding arrangements come into effect. Whatever incentives lay within the final scope of the scheme, the effect of the Fair Funding Review, which will change the allocation of resources between Councils according to a revised needs assessment, is as yet unquantifiable and could be a significant budgetary risk.
- 4.7 The figures presented in this report are provisional and a number of technical accounting entries are still to be processed as the final Statement of Accounts is produced. Therefore, the final outturn position may vary from that reported here but this is unlikely to be material. Should any further movement take the balances above the agreed range of balances, or below the balances agreed at revised budget, a compensating adjustment will be made to/from the Stability and Resilience Reserve to maintain the General Fund revenue balance within those previously agreed figures.

**CONTACT DETAILS:**

Amanda Fahey  
Head of Financial Services  
[Amanda.Fahey@Rushmoor.gov.uk](mailto:Amanda.Fahey@Rushmoor.gov.uk)  
01252 398440

**GENERAL FUND REVENUE BUDGET SUMMARY**

**APPENDIX A**

	Revised Estimate 2017/18 £000	Current Approved Estimate 2017/18 £000	Provisional Outturn 2017/18 £000
<b><u>Net Cost of Services by Portfolio</u></b>			
1 Corporate Services	557	563	1,867
2 Environment and Service Delivery	3,564	3,630	3,563
3 Concessions and Community	1,945	1,935	1,897
4 Health and Housing	1,504	1,505	1,334
5 Business, Safety and Regulation	2,689	2,690	2,100
6 Leisure and Youth	3,795	3,794	3,648
<b>7 PORTFOLIO NET EXPENDITURE</b>	<b>14,054</b>	<b>14,117</b>	<b>14,409</b>
8 Capital Accounting Charges - Reversed	(1,241)	(1,241)	(3,294)
9 IAS 19 Pension costs/employee benefits reversed	(568)	(568)	(554)
<b>10 NET EXPENDITURE AFTER ADJUSTMENTS</b>	<b>12,245</b>	<b>12,308</b>	<b>10,561</b>
<b><u>Provisions for Budget Restructuring:</u></b>			
11 Vacancy Monitoring	(50)	(50)	
<b>12 Corporate Income and Expenditure</b>	<b>44</b>	<b>44</b>	<b>(337)</b>
<b>13 Contributions to/(from) Reserve Accounts</b>	<b>(257)</b>	<b>(275)</b>	<b>1,498</b>
<b>14 Central Government Funding</b>	<b>(5,580)</b>	<b>(5,580)</b>	<b>(5,858)</b>
<b>15 NET TOTAL EXPENDITURE</b>	<b>6,402</b>	<b>6,447</b>	<b>5,864</b>
16 Contribution to/(from) balances	(538)	(583)	0
<b>17 COUNCIL TAX REQUIREMENT</b>	<b>5,864</b>	<b>5,864</b>	<b>5,864</b>
<b>REVENUE BALANCES</b>			
18 1 April	2,000	2,000	2,000
19 General Fund Transfer	(538)	(583)	0
20 31 March	1,462	1,417	2,000

**Notes**

<b>12 Corporate Income and Expenditure</b>			
Interest Receivable	(839)	(839)	(820)
Interest Payable	106	106	46
Minimum Revenue Provision	150	150	150
Collection Fund (surplus)/deficit - Council Tax	(88)	(88)	(88)
Collection Fund (surplus)/deficit - NNDR	779	779	779
Other Corporate Income & Expenditure	(64)	(64)	(404)
<b>Total</b>	<b>44</b>	<b>44</b>	<b>(337)</b>
<b>13 Contributions to/(from) Reserve Accounts</b>			
Revenue Contributions to Capital Programme			126
Transfers to CPE account	133	133	111
Contributions to/(from) earmarked reserves/prior yr grants	(310)	(310)	434
Contributions to/(from) Service Improvement Fund	(80)	(98)	282
Contributions to/(from) Stability & Resilience Reserve			545
<b>Total</b>	<b>(257)</b>	<b>(275)</b>	<b>1,498</b>
<b>14 Central Government Funding</b>			
New Burdens and other non-ringfenced grants	(93)	(93)	(326)
New Homes Bonus	(1,450)	(1,450)	(1,450)
Revenue Support Grant	(536)	(536)	(536)
RBC share of rates collected	(18,990)	(18,990)	(18,990)
Tariff Payable	15,252	15,252	15,252
Levy Payable	1,022	1,022	1,008
s31 grants in relation to Business Rates	(785)	(785)	(816)
<b>Total</b>	<b>(5,580)</b>	<b>(5,580)</b>	<b>(5,858)</b>

## Appendix B

**GENERAL FUND REVENUE ACCOUNT 2017/18  
PRINCIPAL VARIATIONS FROM CURRENT APPROVED BUDGET**

<b>Corporate Services Portfolio</b>		<b>VARIANCES RELATED TO EXPENDITURE BUDGETS</b>	<b>£000</b>
Legal Services	35/39 High St Aldershot	Reduction in service provider costs for repairs and maintenance	(6)
	Corporate Property Management	Favourable variance due to fluctuations in vacancies. There were fewer inspections than anticipated	(6)
	Wellesley House 10a Eelmoor Road	Adverse variance due to a higher than anticipated electricity bill	7
	Estates Support	Reduction in demand for use of counsel for external legal advice	(13)
	Town Centres	Unused budget set aside for snow clearance	(12)
Democratic Services	Communications	Reduction in costs for public relations and consultations	(9)
	Customer Services Unit	Reduction in postage costs	(18)
Financial Services	External Audit and Inspection	Refund received regarding reduced audit fees	(6)
	Audit Services	Reduction in spend on contracted staff due to reduction in number of audit days required	(7)
IT and Facilities	Council Offices	Various increases and reductions in spend across all supplies and services	6
	Technical Support	Various reductions in spend across all other supplies and services	(23)
	Print Room	Reductions and slight increase in spend across all supplies and services	(7)
	Application Support	Reduction in spend on application software due to suppliers increasing costs at a lower rate than anticipated. Also reduction in costs due to change in service provision	(11)
	IT Management - Training Expense	Increase in spend due to additional courses attended. Cost is partly offset by £2.8k income received from other Local Authorities attending course at RBC	7
	IT Management - External Support For Systems	Reduction in requirement for support	(7)



<b>Corporate Services Portfolio</b>		<b>VARIANCES RELATED TO INCOME BUDGETS</b>	
Legal Services	Dominion Road	Reduction in rents received due to budget originally overstated	6
Financial Services	Council Tax Collection	Increase in amount of court costs recovered	(8)
IT and Facilities	Systems Thinking	Reduction in income due to reduction in project work carried out on behalf of another Local Authority	11

<b>Environment and Service Delivery Portfolio</b>		<b>VARIANCES RELATED TO EXPENDITURE BUDGETS</b>	
Corporate Director	Aldershot Regeneration Strategy	Reduction in spend on consultancy, due to timing in works being carried out on Aldershot regeneration (subject to carry forward)	(66)
	Farnborough Town Centre Regeneration	Reduction in spend on consultancy, due to timing in works being carried out on Farnborough regeneration (subject to carry forward)	(62)
Community Services	Domestic Refuse	Reduction in spend on previous contract payment	(22)
		Increase in contractor payment for Bulky Waste Collections as the demand has increased (this is covered by additional income)	8
	Recycling	Reduction in spend on previous contract payment	(10)
	Street Cleansing	Reduction in spend on the contractor payment as the additional cleaning in the Prospect Estate is now included in the base contract payment	(21)
		Reduction in spend on Contract Performance (NI195) as only a third of the survey work will be completed in 2017/18	(10)
Car Parks	Contract variation decrease	(16)	
		Reduction in spend on lining, general repairs and maintenance, lighting repairs and signs mainly due to the timing of the installation of the new pay and display machines	(12)
Planning Services	Planning Policy	Favourable variance in 2017/18 as set aside for Local Plan Examination not required as Exam is to be held in May 2018 (subject to carry forward of which £66k is funded from an earmarked reserve)	(81)

<b>Environment and Service Delivery Portfolio</b>		<b>VARIANCES RELATED TO INCOME BUDGETS</b>	
Community Services	Car Parks	Additional income received from season tickets (permits)	(19)
		Shortfall in Penalty Charge Notice income	24
		Shortfall in pay and display income	34
		Free permits (notional income offset by increase in expenditure in Grants to Major Organisations)	(29)
	Parking Management	Shortfall in pay and display income (on street)	29
		Reduction in parking fines	14
	Other Highway Services	Additional income from temporary traffic regulation orders	(6)
	Domestic Refuse	Additional income from Bulky Waste Collections due to increase in demand	(23)
	Recycling	Reduction in green waste sales income due in 2017/18. This is due to a timing issue and does not reflect any reduction in levels of subscription	44
		Additional recycling credit income	(8)

<b>Concessions and Community Portfolio</b>		<b>VARIANCES RELATED TO EXPENDITURE BUDGETS</b>	
Democratic and Customer Services	Electoral Registration	Reduction in spend on external printing, postages and stationery	(5)
		Reduction in expenditure for canvass fees (carry forward requested to use saving to support IER review)	(12)
		Reduction in expenditure for IER costs (carry forward requested to use saving to support IER review)	(32)
Community Services	Grants to Major Organisations	Free permits (notional expenditure offset by increase in income in car parks)	29

<b>Health and Housing Portfolio</b>		<b>VARIANCES RELATED TO EXPENDITURE BUDGETS</b>	
Environmental Health and Housing Services	Housing Advice	Spend to cover reduction in Housing Benefit paid for temporary accommodation, balance to earmarked reserves	(13)

<b>Health and Housing Portfolio</b>		<b>VARIANCES RELATED TO INCOME BUDGETS</b>	
Environmental Health and Housing Services	Housing Advice Rent	Additional rental income due from those in Bed and Breakfast	(11)

<b>Business, Safety and Regulation Portfolio</b>		<b>VARIANCES RELATED TO EXPENDITURE BUDGETS</b>	
Environmental Health and Housing Services	Pollution and Environmental Control	Air Quality Feasibility work spanning two years, therefore carry forward requested to complete this stage	(14)

<b>Business, Safety and Regulation Portfolio</b>		<b>VARIANCES RELATED TO INCOME BUDGETS</b>	
Environmental Health and Housing Services	Licensing General	Additional premises licence income due to higher number of applications	(19)
Community Services	Crematorium	Additional income from memorials Additional income from cremations Additional income from sales of memorial benches	(10) (40) (6)
Planning Services	Development Control	Favourable variance for Planning Applications. There have been four large planning applications (eg for a value of £20k or more) received since the revised budget was set. This trend in additional planning application income is now reflected in future budgets Favourable variance on additional 20% planning application income. The Government agreed Planning Application charges could be increased by 20% provided the additional income is put back into the service to make improvements. The income will, therefore be allocated to an earmarked reserve at year end to be used in future years	(169) (37)
	Development management pre-application charges	There has been an increase in the volume of work in the second half of the year plus increase in fees	(6)
	Building control fees	Adverse variance is more significant than forecast due to the poor weather in February/March	10

Leisure and Youth Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	
Community Services	Farnborough Leisure Centre	Reduction in spend on the leisure contract payment partly due to the energy indices payment being less than anticipated (across the three contract leisure sites)	(30)
	Southwood Golf Course	Reduction in spend on general repairs and maintenance	(9)
		Reduction in spend on consultancy fees in 2017/18 (subject to carry forward)	(8)
	Grounds Maintenance Contract	Reduction in spend on grounds maintenance non-routine works	(34)
		Expenditure on the Manor Park depot new paving and tarmac, originally approved as part of the Capital Programme, but is now less than the £10,000 de-minimus threshold	7
		Additional Business Rates payment	12
	Parks and Recreation Grounds	Increase in repair and maintenance main contract cost	9
		Additional spend on tree maintenance works	9
		Additional spend on Licences	7
		Reduction in spend on playground apparatus	(21)
		Reduction in spend on general repairs and maintenance	(11)
		Increase in spend on tree planting, tree survey works, skate park maintenance and Rowhill Copse	10
Princes Hall	Additional spend on S106 revenue projects (these projects are individually below the £10k threshold for capital projects). The projects are funded from the S106 Developers contributions	24	
	Reduction in heating cost	(25)	

Leisure and Youth Portfolio		VARIANCES RELATED TO INCOME BUDGETS	
Community Services	Parks and Recreation Grounds	S106 Developers Contributions being used to fund the S106 revenue projects	(23)
		Developers Income received for Southwood Woodlands SANG	(98)
		Developers Income received for Rowhill SANG <i>* These SANG receipts will be transferred to the SANG earmarked reserve from the general fund at year-end</i>	(33)
	Princes Hall	Additional income re pantomime tickets sales	(62)
		Refreshment sale increase	(9)

## Other Variances

Salary	Savings identified across all portfolios	(186)
Interest receivable/payable	Net reduction in interest costs due to variations in interest rates on pooled funds and reduced borrowing required due to slippage in the capital programme	(41)
Other income and expenditure	Income from release of covenant (£379k) Contract compensation payment (£ 26k) Increased bad debt provision £ 60k	(345)
Revenue contribution to capital programme	CPE surplus used to support capital spending on car parking provision	126
Transfers to CPE account	Decrease in estimated surplus for current year	(22)
Contributions to/(from) earmarked reserves/prior yr grants	- Carry forward requests adjustment - Grant funded carry forward requests adjustment  - Additional ring fenced grant funding (flexible homelessness grant) received in year transferred to reserves - Additional grant funding received in years transferred to reserves (see New Burdens list below)	232 109 128  215
Contributions to/(from) Service Improvement Fund	£380k contribution to SIF from release of covenant on land	380
New Burdens and other non-ring fenced grants	Additional grant funding received in year: Planning Delivery Fund (£125k) Custom build (£ 30k) Homelessness Reduction Act (£ 37k) Other small grants (£ 41k)	(233)
Business Rates Levy Payable	Reduction in levy payment	(14)
S31 grants in relation to Business Rates	Finalised value of S31 grant	(31)

## CAPITAL PROGRAMME MONITORING SUMMARY 2017/18

Expenditure	TOTAL APPROVED BUDGET 2017/18	ACTUAL SPEND 2017/18	VARIANCE	SLIPPAGE TO 2018/19
PORTFOLIO	£'000	£'000	£'000	£'000
CORPORATE SERVICES	24,329	7,477	(16,852)	16,864
LEISURE & YOUTH	541	376	(165)	103
ENVIRONMENT & SERVICE DELIVERY	6,075	3,315	(2,760)	2,761
BUSINESS, SAFETY & REGULATION	202	145	(57)	56
HEALTH & HOUSING	1,252	1,082	(170)	152
TOTAL	32,399	12,395	(20,004)	19,936

Capital Financing	REVISED BUDGET 2017/18	ACTUAL 2017/18
FUNDING	£'000	£'000
Grants and other Contributions	2,327	1,237
Developers' Contributions	123	123
Capital Receipts	5,325	5,325
Borrowing	24,624	5,710
TOTAL	32,399	12,395

## CAPITAL PROGRAMME 2017/18 - PRINCIPAL VARIATIONS FROM APPROVED BUDGET

The schemes detailed below represent an overspend in 2017/18 but not an overspend of the projects overall, as the amounts will be recognised as a pre-spend of the 2018/19 budget:

Scheme	Explanation	Pre-Spend £000s
<b>ICT/DIGITAL STRATEGY</b> IDOX on site App	Expenditure has been required to bring IDOX App into use.	26

The significant over/(under) spend variations to date are as follows:

Scheme	Explanation	Over / (Under) Spend £000s
<b>COUNCIL OFFICES</b> Accommodation and Upgrade Changes	Spend on the accommodation and upgrade changes project have been less significant than budgeted.	(12)
<b>COUNCIL OFFICES</b> Air-conditioning contract costs	Compensation in respect of the air-conditioning installation has been moved from capital to revenue.	25
<b>COUNCIL OFFICES</b> Lower Roof Maintenance	No works undertaken as the lower roof has survived well during this year's weather and is not deemed a priority project. The budget can therefore be released.	(24)
<b>IMPROVEMENT GRANTS</b> Housing Renewal Grants	Housing Renewal Grants are discretionary and therefore are not always paid out in full.	(13)
<b>SOUTHWOOD COMMUNITY CENTRE</b> Internal Decoration	There has been a reluctance to carry out works on this property as it is not Council owned. A budget exists in 2018/19 which is sufficient to cover works planned for 2017/18 as well. The budget for 2017/18 can therefore be released.	(10)

## Appendix D

<p><b>PRINCES HALL</b> Coating to Roof</p>	<p>No works have been undertaken as patches which have previously been done are holding well and therefore it is not deemed priority to do more extensive works at this time. The budget can therefore be released.</p>	<p><b>(15)</b></p>
<p><b>MANOR PARK</b> Depot New Paving and Tarmac</p>	<p>Only essential work has been undertaken and therefore much less cost has been incurred than originally planned. Costs incurred of £9k have been transferred to revenue, as the Capital de minimus threshold of £10k has not been reached.</p>	<p><b>(19)</b></p>
<p><b>ICT/DIGITAL STRATEGY</b> Various Projects</p>	<p>A summary of the main variances is as follows:</p> <ul style="list-style-type: none"> <li>- E-forms migration has been more complicated than envisaged and in addition, other worthwhile enhancements have been carried out which were not planned</li> <li>- Significant issues with the supplier of the Finance system upgrade</li> <li>- Consultancy; Hardware; and Software related to ICT Infrastructure improvements being more costly than anticipated</li> </ul>	<p><b>23</b></p>

The major areas of slippage identified to date which are included within the net reduction in spend of £20,004,000 against the approved Capital Programme (Appendix C), are provided in the table that follows:

Scheme	Explanation	Slippage to 2018/19 £000s
<p><b>CORPORATE PROPERTIES</b> 12 Arthur Street – Future Use</p>	<p>The conversion of this property into flats is due to be completed in May 2018. This project is utilising skilled up workers and therefore the work schedule has had to be extended. The project is currently £78k underspent so more has been spent than anticipated at the last budget monitoring, however the project will still be significantly underspent overall.</p>	<p><b>(78)</b></p>



## Appendix D

<p><b>CORPORATE PROPERTIES</b> Boulters House, 237 High Street – Redevelopment Costs</p>	<p>This project has been delayed due to resources being directed to work on other Corporate Properties.</p>	<p><b>(33)</b></p>
<p><b>ACTIVATION ALDERSHOT</b> Project 2 Phase 6 Aldershot Station</p>	<p>This project has been delayed due to a change in franchise operator on the South West trains service. It was a requirement of the LEP funding that the LEP monies of £900k had to be spent in 2017/18. However, the LEP have agreed to allow this money to be spent in 2018/19 instead.</p>	<p><b>(900)</b></p>
<p><b>CEMETERIES</b> Redan Road Repairs to Boundary Wall</p>	<p>An order for the works to be carried out was only raised in February 2018 and the works needed to be completed in fair weather.</p>	<p><b>(30)</b></p>
<p><b>IMPROVEMENT GRANTS</b> Disabled Facility Grants</p>	<p>The full budget has been committed in 2017/18 but not necessarily paid out or become due.</p>	<p><b>(152)</b></p>
<p><b>BEAUMONT PARK</b> Beaumont Guards Room Repairs to Stone Work</p>	<p>The project did not commence in 2017/18 and therefore a budget slippage is required.</p>	<p><b>(19)</b></p>
<p><b>CAR PARKS</b> Pay and Display Machine Replacement</p>	<p>There are ongoing issues with the pay and display machine and back office functionality and rectification of these faults will not take place until 2018/19.</p>	<p><b>(19)</b></p>
<p><b>ALDERSHOT POOLS COMPLEX</b> Roof Insulation and Coating over Pools</p>	<p>The tender process was not carried out until after September 2017 and the main order not placed until February 2018. The main works could not take place until the weather improved and therefore the majority of the budget needs to slip to 2018/19.</p>	<p><b>(65)</b></p>
<p><b>DEPOTS</b> Lysons Avenue Depot</p>	<p>This is a large project spanning multiple financial years – estimated completion date is July/August 2018. Less slippage than forecast at budget monitoring as a further invoice was received from our main contractor for 2017/18, which had not been built into the forecast.</p>	<p><b>(178)</b></p>

## Appendix D

<p><b>CYCLEWAY LINKS</b> Hazel Avenue to Arrow Road</p>	<p>Little progress has been made on this project due to the need to focus resources on Corporate Properties projects.</p>	<p><b>(20)</b></p>
<p><b>CAR PARKS</b> Enhancement Contract Costs</p>	<p>The monies were set aside to do works to the High Street MSCP, Aldershot and Pinehurst Car Park, Farnborough. However, the projects have been postponed while the wider regeneration is considered.</p>	<p><b>(120)</b></p>
<p><b>CORPORATE PROPERTIES</b> Drawdown Fund for the Purchase of Investment Properties</p>	<p>Properties have been identified to utilise this budget but have not completed during 2017/18.</p>	<p><b>(14,959)</b></p>
<p><b>ICT/DIGITAL STRATEGY</b> Revenues Citizen Account</p>	<p>Elements of the project have been completed in 2017/18 but the remainder of the project is to slip to 2018/19 due to an unforeseen staff absence.</p>	<p><b>(13)</b></p>
<p><b>FLEXIBLE USE OF CAPITAL RECEIPTS</b> Various Projects</p>	<p>Profile of spend is forecast to be less in year 2 than anticipated. A full breakdown on the Flexible Use of Capital Receipts is provided separately.</p>	<p><b>(36)</b></p>
<p><b>CORPORATE PROPERTIES</b> Commercial Property Acquisition (Exempt Item)</p>	<p>The purchase of a commercial property has been delayed due to circumstances beyond the Council's control but it looks likely the sale will complete in early 2018/19.</p>	<p><b>(1,773)</b></p>
<p><b>ALDERSHOT TOWN CENTRE</b> Town Centre Integration</p>	<p>This money was due to be paid to advance highway works but has been delayed due to plans not being signed off by Hampshire County Council.</p>	<p><b>(1,500)</b></p>
<p><b>ACTIVATION ALDERSHOT</b> Town Centre Improvements</p>	<p>The remaining £20k budget is required in 2018/19 to complete snagging. The overall project is likely to be £20k overspent because of unforeseen costs due to structural issues with various buildings. The overspend would have been more considerable, however some costs were mitigated through redesigns of some of the other shop fronts.</p>	<p><b>(20)</b></p>
<p><b>CEMETERIES</b> Ship Lane Drainage</p>	<p>The project did not commence in 2017/18 and therefore a budget slippage is required.</p>	<p><b>(11)</b></p>

## Appendix D

<b>KING GEORGE V</b> Public Conveniences Upgrade	There was insufficient time to get this project completed in 2017/18.	<b>(12)</b>
<b>CREMATORIUM</b> Mobile Elevation Work Platform	The project did not commence in 2017/18 and therefore a budget slippage is required.	<b>(10)</b>