

**REVENUE BUDGET MONITORING & FORECASTING 2018/19 -
POSITION AT SEPTEMBER 2018**

SUMMARY:

This report sets out the anticipated financial position for 2018/19, based on the monitoring exercise carried out during September 2018. It includes assumptions about events during October to March 2019 to predict the likely outturn.

RECOMMENDATIONS:

Members are requested to note the latest Revenue Budget monitoring position and task officers with introducing measures to eliminate the forecast Q2 overspend.

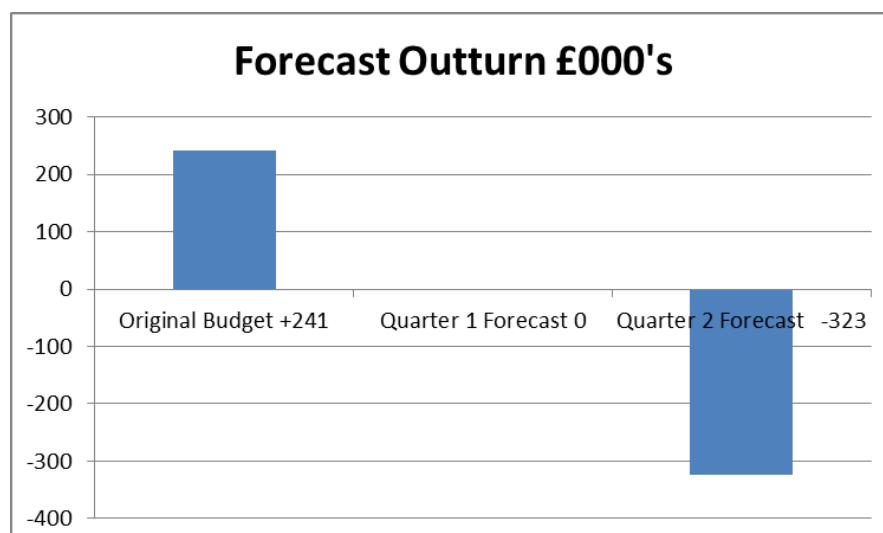
1 INTRODUCTION

- 1.1 During September, budget officers carried 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.
- 1.2 The current approved budget is the Original Budget for 2018/19 as approved by Council on 22 February 2018 plus any subsequently approved supplementary estimates, virements and budget carry-forwards from 2017/18.

2 PREDICTED OUTTURN

- 2.1 The predicted outturn at Quarter 2 shows a small loss of £323k, on a gross budget of some £76.8m; The history, from the Original Budget is illustrated below:

**Table 1: Forecast Outturn - Appendix A, line 16 Contribution to (+)
/from (-) balances**



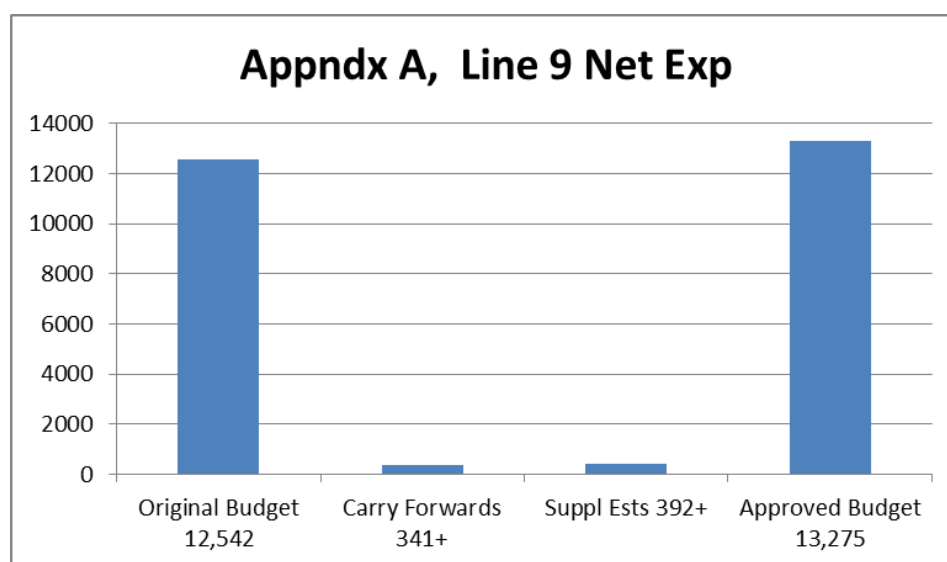
2.2 The process of assembling the monitor verifies the expected outturn from expenditure to date; for example the staff turnover savings of £325,000 appear to be on track. This information generates the updated forecast for 2018/19 at **Appendix A**.

3 OPENING BALANCES AND BUDGET ADJUSTMENTS

3.1 Quarter 1 monitor reported the final outturn position for 2017/18 which resulted in the General Fund Balance being improved to £2m.

3.2 The movement from the Original Budget to Q2 budget is summarised in Table 1 and notes a-b below.

Table 2: Movement from Original Budget to Q2 £000's



a) The Q1 report noted the final outturn for 2017-18 included £341,440 of unspent budget that were carried forward to this year, 2018-19.

b) A number of supplementary estimates have been approved for both income and expenditure during the two quarters of 2018/19 resulting in a net increase to the budget of £391,580. Details of the supplementary estimates are outlined in **Appendix C**.

4 REPORTED VARIANCES - QUARTER 2

4.1 Budget holders are required to look first to existing resource before seeking supplementary estimates and to work collaboratively to fund in-year budget pressures from one-off, in-year underspends/savings. This is likely to increase the number of virements requested but should be expected to reduce the pressure for growth in the year. Action to correct overspends within existing services will be reported in Quarter 3, to achieve the long-term sustainability of the organisation.

4.2 The Council agreed a savings and efficiency target of £1.550m (Appndx A Line 10). Details of savings achieved in the first two quarters of the financial year, at £619k, are set out in **Appendix E**, with a revised Outturn of £1.061m, see **Appendix F**. The programme originally split into two broad types, spend and income, in the following way:

- reductions in spend (of 10% of the target) and,
- increases in income (of 90% of the target).

The income type included a significant Commercial Property contribution, which carried a higher risk of non-delivery. Whilst the spend type has slipped by just over 2%, the income type has slipped by 35% from the original assumption. The effect is contained in 2018/19, and should not affect the MTFS assumptions for next year, it being a slippage, not a permanent loss.

Service managers have identified underspends to date, against the Approved Budget of £621,230 (Appx A Line 9) as likely to occur in 2018/19. Major variances are set out in **Appendix B**. Reducing the service underspends are net costs in non-service budgets (lines 12 to 14 of Appendix A), such that the Forecast Outturn shows a small loss of £323k (Line 17 Appendix A)

4.3 Some of the identified variances will be offset by changes to the level of transfers to or from reserves. For example, a decrease in income from on-street parking will decrease the amount of surplus generated for the Civil Parking Enforcement (CPE) Account and therefore reduce the transfer to the CPE account shown in transfers to reserves. This results in a favourable variance of £94,390 (Appndx A Box 13) to the general fund. Income received in the year for the maintenance of Suitable Alternative Natural Green Space (SANG) is transferred to earmarked reserves to support SANG maintenance in future years. This increases the transfer to reserves by approximately £496,000 (Appndx A Box 13) and shows as an unfavourable variance. Additional grants of £164,490 (Appndx A Box 14) have been received during the first two quarters, some of which will also be transferred to reserves for use in future years.

4.4 There is a net increase of £40,733 in corporate expenditure (Appndx A Line 12) resulting from minor reductions in both interest payable on borrowing and receivable on investments, offset by a one-off refund for Licensing Fees and an increase in the provision for doubtful debts resulting from an increase in the number of unpaid rent deposits and bond claims.

4.5 The other significant savings target within the budget comes from expected savings due to staff turnover i.e. the short-term savings occurring in the gap between employees leaving the Council and their replacements starting. Turnover is relatively consistent year on year but does fluctuate in times of high unemployment, for example. Around £200k of saving has been identified at the Quarter 2, which would then support the achievement of the full £325,000 by the year-end.

4.6 The original budget had built in sufficient savings to enable a transfer of £240,960 to be made to the General Fund to boost balances to the top of the approved range (£2m). The Quarter 1 report noted that the 2017-18 outturn had provided an alternative route to achieving a £2m General Fund, as referred to in paragraph 3.1

- 4.7 As a result of the variations referred to above, the general fund forecast shows a projected year-end balance of £1.7 million. Members are requested to task officers with introducing measures to eliminate the forecast Q2 overspend. A summary of the movement is set out in the following table:

Table 3: Forecast Balances for end 2018/19

	£000	£000
Forecast balances at Quarter 1		2,000
Less:		
Q2 deficit - Transfer from General Fund Balance	323-	1,677
Current forecast balances for end of 2018/19		1,677

5 RESERVES

- 5.1 Elsewhere on this agenda is the report on Adequacy of Provisions and Reserves, in which it notes that the reserves include two 'Earmarked' Reserves, as follows:

Table 4: Total Reserves April 2018

	£000	£000
General Fund Balance		2,000
Stability and Resilience Reserve	4,353	
Other Earmarked Reserves (45):	5,472	
		9,825
Total Reserves		11,825

Appendix D lists the use of Earmarked Reserves at Quarter 2; it amounts to just under £69k.

- 5.2 Included in the Other Earmarked Reserves is an ER considered key in supporting the revenue budget, the Service Improvement Fund (SIF). It is designed to support invest-to-save schemes that provide a long term benefit to the Council. The latest forecast of spending from the Service Improvement Fund is shown below:

Table 5: Service Improvement Fund

	2018/19 Original Budget	2018/19 Supplementary Estimates	2018/19 Total Approved Budget	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast
SERVICE IMPROVEMENT FUND						
Opening balance on Fund			890,766	890,766	107,381	40,081
Additional Income			0			
HR Policy	9,950	0	9,950	9,756	0	0
Finance Improvement Projects	10,810	0	10,810	10,810	2,970	0
Legal Compliance	6,050	0	6,050	6,050	0	0
Temporary Property Assistant	24,930	0	24,930	16,981	4,330	0
Regeneration Support	60,000	0	60,000	60,000	60,000	0
Organisational Redesign & Structure Review	0	300,000	300,000	300,000	0	0
Rushmoor 2020	0	379,788	379,788	379,788	0	0
Expenditure in year	111,740	679,788	791,528	783,385	67,300	0
Closing balance			99,238	107,381	40,081	40,081

- 5.3 The Service Improvement Fund received an injection of income towards the end of 2017/18 of just under £380,000 from proceeds the Council received for the release of a covenant. This was a vital injection of funds to support key projects such as Rushmoor 2020.

- 5.4 Elsewhere on this agenda, the Adequacy of Provisions and Reserves report, sets out a risk-based analysis of reserves in order to provide a more in-depth analysis, and ensure that the level of reserves adequately mitigates the financial risks facing the Council.
- 5.5 Efficiency projects can also be supported by capital receipts from the sale of surplus assets for a limited three-year period, which commenced in 2016/17 but has now been extended for a further three years. The forecast of expenditure for these projects is shown in the following table:

Table 6: Efficiency Projects supported by capital receipts

Project	Actuals 2016/17	Actuals 2017/18	Original Budget 2018/19	Slippage/ (Pre-Spend) from 2017/18	Total Approved Budget 2018/19	Forecast Spend 2018/19	Variance (Forecast Spend Against Total Approved Budget 2018/19)	Completed (C)
Opening Balance	500,000	338,224	484,873		520,509	520,509	520,509	
Additional Capital Receipt		480,000						
Income Generation & Commercial								
Creation of new income generating assets	24,225	-	-	-	-	-	-	C
To support the delivery of the Housing and Regeneration Programme	-	58,157	13,765	25,338	39,103	39,103	0	
To invest in property, diversifying the asset portfolio and securing greater returns	10,000	20,000	-	-	-	-	-	C
To explore new ways of delivering services while maintaining or improving service standards and reducing costs	-	-	45,000	35,000	80,000	80,000	-	
Making better use of existing assets by utilising land for advertising hoardings in order to maximise revenue return.	6,500	-	-	-	-	-	-	C
Making better use of existing assets by utilising land for advertising hoardings in order to maximise revenue return (Phase 2)	-	-	33,500	-	33,500	-	33,500	
To understand sales trends, price demand and ticket buying behaviour	-	-	-	12,000	12,000	12,700	700	
Organisational Development								
Review the functional and organisational arrangements of the Council, identifying a range of possible options for the design of the organisation and the implications of future ways of working	98,200	23,391	-	80	80	-	80	C
Review the functional and organisational arrangements of the Council, identifying a range of possible options for the design of the organisation (Phase 2)	-	32,547	289,305	32,547	256,758	256,758	0	
Customer & Digital								
A comprehensive IT approach to integrate the client and contractor systems	-	48,351	32,535	4,114	36,649	36,649	0	
Feasibility and implementation of an expanded customer hub model	-	51,076	67,740	11,076	56,664	56,664	0	
Setting up new governance arrangements and project management support to overall transformation programme	16,852	5,900	-	0	0	-	0	C
To successfully implement the new waste contract	6,000	58,293	2,980	2,727	5,707	-	5,707	C
Total Expenditure	161,776	297,715	484,825	35,636	520,461	481,874		
Closing Balance	338,224	520,509			48	38,635		

- 5.6 Included in the table, and reported in the Q1 monitor are two projects that are closed, allowing the funds to be re-allocated:

Table 7 Closed projects £000's

Advertising hoardings	33,500
Waste Contract	5,707
Amount released	39,207

6 RISKS

- 6.1 The most significant risk facing the Council is the non-achievement of its financial savings targets over the medium-term. This risk is mitigated by action to deliver alternative savings, and, as a fall-back, the use of the reserves.
- 6.2 However, governance has been strengthened by the introduction of new, Heads of Services. This supports the Council's ability to deliver its key priorities and achieve the necessary savings (through increased income or reduced expenditure) to provide for a sustainable financial future.
- 6.3 The Provisional Settlement, for 2019/20, will be announced December 6th 2018

with the Final Settlement before the end of January 2019. Hopefully there will be additional insights into:

- The operation of the business rates retention scheme, including the 2019/20 pilots, for which we have bid, and potential changes due to the introduction of a 75% retention scheme in 2020/21;
- The Fair Funding Review currently taking place, which could see the baselines for individual authorities' funding being reset, leading to redistribution of resources across the country and between local government tiers (Counties and Districts);
- New Home Bonus for 2020/22, which the Treasury has floated a view that it does not deliver and should be ceased..

6.4 Other risks that should be considered are:

National

- 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 Pension Fund; the value of properties including those recently purchased; the interest earned on the Council's investments or payable on its borrowings;
- The potential centralisation of land charges;
- Deterioration in income streams due to the economic climate including planning fees, parking income and rents;
- Pressure on services due to legislative changes, such as Welfare reform or the Housing and Planning Act;
- The effect of decisions made by other external institutions to reduce/ cease funding that may affect the financing of Council activities, or place pressure on Rushmoor to meet the shortfall;

Local

- The delivery of major change programmes in the organisation;
- Pressure on services from demographic change;
- Maintaining a balance between new priorities and achieving savings targets;

7 CONCLUSIONS

- 7.1 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. While we would not want financial constraints to hamper this responsive approach, which works well for residents, the Council does need to reduce its net cost of services (by reducing costs or increasing income) to achieve financial sustainability.
- 7.2 This quarter 2 budget monitoring cycle includes some significant savings and the anticipated further investment in commercial property and other local investment plans, should generate additional income, which will meet the current year's savings target and build towards a sustainable future.
- 7.3 However, action to correct overspends within existing services will be reported

in Quarter 3, to achieve the long-term sustainability of the organisation.

- 7.4 The current monitoring position shows general fund balances below the top of the range, at £1.7m (Table 3 at para 4.7), at the close of 2018/19, assuming the achievement of savings during the year.
- 7.5 At the same time as delivering on-going core services and major change programmes (Rushmoor 2020/Regeneration), the Council is making significant changes to its leadership team and its operating structure, the effect of which needs to be monitored closely to avoid any slippage in delivery of priorities and/or savings which could jeopardise the financial future of the authority.

8 BACKGROUND DOCUMENTS

Quarter 1 Revenue Monitor Cabinet August 21, 2018

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GENERAL FUND REVENUE BUDGET SUMMARY 2018/19				APPENDIX A
	ORIGINAL BUDGET	CURRENT APPROVED BUDGET	FORECAST OUTTURN	VARIATION FROM CURRENT APPROVED BUDGET
	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000
PORTFOLIOS				
1 Corporate and Democratic Services	5,553	5,623	5,598	(25)
2 Customer Experience and Improvement	(6)	(3)	(33)	(30)
3 Major Projects and Property	(1,354)	(1,140)	(1,187)	(47)
4 Operational Services	7,819	8,056	7,593	(463)
5 Planning and Economy	2,634	2,842	2,786	(56)
				0
6 NET PORTFOLIO EXPENDITURE	14,646	15,379	14,757	(621)
7 Capital Accounting Charges-Reversed	(1,491)	(1,491)	(1,491)	0
8 IAS19 Pension costs reversed	(613)	(613)	(613)	0
9 NET EXPENDITURE AFTER	12,542	13,275	12,653	(621)
				0
10 Reductions in Service Costs/Additional Income Generation	(1,550)	(1,061)	(1,061)	0
11 Vacancy monitoring	(325)	(325)	(325)	0
12 Corporate Income and Expenditure	163	163	204	41
13 Contributions to/(from) Reserve Accounts	(34)	(445)	51	496
14 Central Government Funding	(4,888)	(4,888)	(5,052)	(164)
15 NET TOTAL EXPENDITURE	5,907	6,719	6,470	(249)
16 COUNCIL TAX REQUIREMENT	6,148	6,148	6,148	(249)
17 Contribution to/(from) balances	240	(572)	(323)	0
REVENUE BALANCES				
17 1 April	1,462	1,462	2,000	
18 General Fund Transfer	240	(572)	(323)	0
19 31 March	1,702	890	1,677	0
Notes				
12 Corporate Income and Expenditure				
Interest Receivable	(846)	(846)	(835)	11
Interest Payable	296	296	262	(34)
Minimum Revenue Provision	807	807	807	0
Collection Fund Surplus - Ctax	(100)	(100)	(100)	0
Collection Fund Surplus - NNDR	22	22	22	0
Other Corporate Income & Expenditure	(41)	(41)	(17)	24
Allowances for Doubtful Debt	25	25	65	40
Total	163	163	204	41
13 Contributions to/(from) Reserve Accounts				
Transfer to CPE Surplus Account	212	212	118	(94)
Contributions to/(from) earmarked reserves - carry forwards		(343)	(343)	0
Contributions to/(from) earmarked reserves/prior yr grants	(246)	(314)	277	591
Contributions to/(from) Service Improvement Fund	0	0	0	0
Use of CPE Surplus Account	0	0	0	0
Transfer to Service Improvement Fund	0	0	0	0
Transfer to/(from) Stability and Resilience Reserve	0	0	0	0
Total	(34)	(445)	51	496
14 Central Government Funding				
New Burdens and other non-ring-fenced grants	0	0	(164)	(164)
New Homes Bonus	(1,095)	(1,095)	(1,095)	0
New Homes Bonus Adjustment Grant	0	0	0	0
Non Ringfenced Grants	0	0	0	0
Council Tax Freeze Grants	0	0	0	0
Revenue Support Grant	(190)	(190)	(190)	0
RBC share of rates collected	(19,797)	(19,797)	(19,797)	0
Tariff payable	15,709	15,709	15,709	0
Levy (safety net)	1,267	1,267	1,267	0
s31 grants in relation to business rates	(782)	(782)	(782)	0
Total	(4,888)	(4,888)	(5,052)	(164)

APPENDIX B

GENERAL FUND REVENUE ACCOUNT 2018/19			
PRINCIPAL VARIATIONS FROM CURRENT APPROVED BUDGET			
The variances identified by service during September 2018 budget monitoring exercise and amounting to a net underspend of approximately £621,230 are shown below			
Corporate and Democratic Services Portfolio			VARIANCES RELATED TO EXPENDITURE BUDGETS
			£000
Corporate Manager Legal Services	Support Service	Counsel's Fees have a potentially favourable variance due to increase in last year's budget and subsequently this years to cover additional costs that have not materialised	(20)
	Community Transport	Reduction in spend on the Community Transport grant to Dial A Ride due to efficiency savings	(8)
Head of Democracy, Strategy and Partnerships	Members Expenditure	Increase in expenditure after review of Councillors allowances	8
	Grants to Major Organisations	Additional cost of 'free' parking permits to charities/voluntary organisations, the additional notional income of these 'free' parking permits is shown under car parks	17
All other expenditure variances for this portfolio			16
Total Expenditure Variances in Corporate and Democratic Services Portfolio			(12)
Corporate and Democratic Services Portfolio			VARIANCES RELATED TO INCOME BUDGETS
Corporate Manager Legal Services	Land Charges	Adverse variance due to reduction in amount of searches and the associated income	25
Executive Head of Finance	Rent Allowances	Grant in respect of operational equipment purchased for access to work needs (increase in spend shown in expenditure)	(5)
		Increase in government grant to cover VEP (verify earnings and pensions alerts) in 2018/19	(28)
All other expenditure variances for this portfolio			(5)
Total Expenditure Variances in Corporate and Democratic Services Portfolio			(13)
Total Expenditure Variances in Corporate and Democratic Services Portfolio			(12)
Total Income Variances in Corporate and Democratic Services Portfolio			(13)
Total Net Variance in Corporate and Democratic Services Portfolio			(25)

Customer Experience and Improvement Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	
Head of Customer Experience	Customer Services Unit	Reduction in spend on postages	(12)
	Communications	Budget for web development not included at budget process stage	11
Head of IT, Projects and Facilities	Applications Support	Increase in spend on applications software due to a number of upgrades and patches required to several systems	10
	Council Offices	Significant increase in disposal of confidential waste as a result of GDPR. There will be an ongoing increase in shredding due mainly to GDPR	10
All other expenditure variances for this portfolio			11
Total Expenditure Variances in Customer Experience and Improvement Portfolio			30

Customer Experience and Improvement Portfolio		VARIANCES RELATED TO INCOME BUDGETS	
Head of Customer Experience	Communications	Increase in income due to income generation through advertising space in Arena magazine	(6)
Head of IT, Projects and Facilities	Systems Thinking Support	Additional income received re work carried out for Waverly Council (increase in salary costs due to additional work)	(53)
All other income variances for this portfolio			(1)
Total Income Variances in Customer Experience and Improvement Portfolio			(60)

Total Expenditure Variances in Customer Experience and Improvement Portfolio	30
Total Income Variances in Customer Experience and Improvement Portfolio	(60)
Total Net Variance in Customer Experience and Improvement Portfolio	(30)

Major Projects and Property Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	
Executive Head of Regeneration and Property	Industrial Estates	Adverse variance for valuation and viability costs due to increase in number of surveys	10
	Other Highway Services	Additional spend on temporary traffic regulation order adverts (covered by additional income)	7
		Reduction in spend as work on highway tree bases is not currently in the work plan	(13)
	Wellesley House, 10a Eelmoor Road	Adverse variance on repairs and maintenance due to unforeseen work on Wellesley House; water leak and drain damage repairs plus works to secure the site from fly tipping and tarmac damage. Also, adverse variance for Management Fee and Service Charges due to new managing agent and additional costs for support and out-of-hours help desk that they provide	6
	Street Furniture	Reduction in spend on street name plates	(5)
	36-63 Union Street, Aldershot	Additional NNDR bill for 52 Union Street. Newly purchased property and tenant has vacated	5
All other expenditure variances for this portfolio			9
Total Expenditure Variances in Major Projects and Property Portfolio			19

Major Projects and Property Portfolio		VARIANCES RELATED TO INCOME BUDGETS	
Executive Head of Regeneration and Property	Wellesley House, 10a Eelmoor Road	Favourable variance due to new tenant on the ground and first floors and the associated rental income	(19)
	Industrial Estate	Favourable variance as a result of rent review increases and back rent collections	(14)
	Town Centres	Favourable variance as a result of a new lease agreed with Bevan Lodge and an increase in rental income	(20)
	Belle Vue Enterprise Centre	Favourable variance due to rent reviews and associated rental income	(13)
	Other Highway Services	Additional income from temporary traffic regulation order adverts (partially offset by additional expenditure)	(11)
	Markets and Car Boot Sales	Anticipated shortfall in markets income	15
All other income variances for this portfolio			(4)
Total Income Variances in Major Projects and Property Portfolio			(66)

Total Expenditure Variances in Major Projects and Property Portfolio	19
Total Income Variances in Major Projects and Property Portfolio	(66)
Total Net Variance in Major Projects and Property Portfolio	(47)

Operational Services Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	
Head of Operational Services	Integrated CCTV	Reduction in spend on equipment maintenance (estimated using year to date cost against a profiled budget) as currently on a pay as you go contract, this means depending on circumstances the costs could suddenly increase	(5)
	Housing Advice	Reduction in costs due to reduction in number of homelessness being placed in bed and breakfast	(5)
	Parks and Recreation Grounds	Additional spend on licences	8
		Additional spend on revenue projects funded by developers contributions	34
	Car Parks	Additional spend on essential repairs at Aldershot multi-storey car park	21
		Additional spend on littering and dog fouling pilot project (offset by additional income)	25
		Reduction in spend on card handling fees	(14)
		Reduction in spend on leisure centre rebates	(12)
		Reduction in spend on managed car parks due to a structure change	(6)
		Increase in spend in managed car parks due to taking on the management of the Aldershot Centre for Health car park for an initial period of time	23
	Parking Management	Reduction in spend on gantry barriers	(6)
	Domestic Refuse	Additional contractor payment on domestic refuse routine works	6
			9
		Additional spend on bulky waste contract payment due to increased demand in service (covered by additional income) Additional spend due to delay in completion of new depot	23
	Recycling	Reduction in spend on contractor payment	(25)
	Public Conveniences	Increase in spend due to insurance excess payment	5
	Street Cleansing	Reduction in spend on non routine works (demand led)	(10)
Additional spend as the contractual inflationary uplift was more than the budgeted inflationary uplift			
Street Cleansing		8	
Recycling		6	
	Domestic Refuse	9	
Head of Operational Services		Additional contract leisure contract payment following a revised percentage being used when calculating the Business Rates saving	
		Aldershot Indoor Pool	6
All other expenditure variances for this portfolio			(10)
Total Expenditure Variances in Operational Services Portfolio			90

Operational Services Portfolio		VARIANCES RELATED TO INCOME BUDGETS	
Head of Operational Services	Health and Safety	Shortfall in Health and Safety courses and Primary Authority income due to insufficient capacity to promote income generation	7
	Food, Health and Safety	Additional income from work required for the airshow	(5)
	Licensing General	Additional premises licences income	(11)
	Alpine Snowsports Centre	Additional profit share anticipated for 2017/18 activities over and above the accrued estimate	(10)
	Houses in Multiple Occupation	Increase in income due to licencing changes for Houses in Multiple Occupation rules with effect from 1st October 2018	(83)
	Parks and Recreation Grounds	Developers income received for Southwood Woodlands SANG	(166)
		Developers income received for Rowhill SANG	(242)
		Additional developers contributions being used to fund revenue projects	(34)
	Car Parks	Additional season ticket income	(67)
		Shortfall in penalty charge notice fine income due to staff vacancies	49
		Shortfall in Pay and Display income	64
		Increase in income for the initial period of managing the Aldershot Centre for Health car park (partially offset by managed car park expenditure)	(30)
		Additional notional income for 'free' parking permits to charities/voluntary organisations, the additional notional cost of these 'free' permits of shown in Grants to Major Organisations	(17)
		Additional income from the littering and dog fouling pilot project (offset by additional expenditure)	(23)
	Parking Management	Shortfall in penalty charge notice fine income due to staff vacancies	70
		Shortfall in Pay and Display income	43
	Crematorium		(34)
		Additional memorial income mainly from memorial renewals	19
	Domestic Refuse	Shortfall in graves sales	19
		Additional bulky waste income expected due to increased demand in service	(32)
Recycling	Additional Material Recovery Facilities income due to market conditions	(33)	
Lido	Profit share income for the Summer 2018 lido season	(20)	
Southwood Community Centre	Additional income in 2018/19 following a recharge for electricity covering current and prior years	(6)	
All other income variances for this portfolio			8
Total Income Variances in Operational Services Portfolio			(553)
Total Expenditure Variances in Operational Services Portfolio			90
Total Income Variances in Operational Services Portfolio			(553)
Total Net Variance in Operational Services Portfolio			(463)

Planning and Economy Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	
Head of Economy, Planning and Strategy Housing	Princes Hall	Additional spend on temporary staffing (offset by a £25k reduction in direct salary costs) as two vacant positions are currently being covered by temporary staffing	25
		Additional spend on temporary staffing as it is predicted there will be an increase in shows and ticket sales which will require additional staffing	8
		Additional spend on general repairs and maintenance as a result of fire risk assessment	12
		Additional spend on pantomime expenditure (covered by additional pantomime income)	7
		Reduction in spend on publicity and advertising	(6)
	Special Events	Reduction in spend on the firework event in 2018	(17)
		Additional spend on the Victoria Day event (of which £3,700 is funded by sponsorship and stalls and funfair income and £1,000 is funded from the Community Grant received at the end of 2017 for the 2018 event and is held in the earmarked reserves)	5
	Planning Policy Management	Favourable variance relating to training expenses. Funding for a post graduate course was included in the 2018/19 budget, however the course covers three financial years. This is funded from the additional 20% Planning Application Income earmarked reserve (cc 9351) and a corresponding variance will be reported on earmarked reserves	(9)
	Hart District Council Planning Building Control Non Fee	Favourable variances relating to Other Contributions. The variances relates to a revised distribution of salary costs between Rushmoor and Hart Shared Building Control Service	(10)
	Hart District Council Planning Building Control Fee	Favourable variances relating to Other Contributions. The variances relates to a revised distribution of salary costs between Rushmoor and Hart Shared Building Control Service	(23)
All other expenditure variances for this portfolio		11	
Total Expenditure Variances in Planning and Economy Portfolio		3	

Planning and Economy Portfolio		VARIANCES RELATED TO INCOME BUDGETS	
Head of Economy, Planning and Strategy Housing	Special Events	Reduction in firework event income	17
	Development Control	Favourable variance for S106 Admin/Monitoring charge. No income is budgeted for as monies relate to historic S106 agreements	(6)
		Adverse variance on sales, due in part to an increase in the availability of information online	5
	Princes Hall	Additional pantomime income	(30)
		Additional lettings income	(25)
Additional refreshments income		(5)	
All other income variances for this portfolio		(15)	
Total Income Variances in Planning and Economy Portfolio		(59)	

Total Expenditure Variances in Planning and Economy Portfolio	3
Total Income Variances in Planning and Economy Portfolio	(59)
Total Net Variance in Planning and Economy Portfolio	(56)

APPENDIX C

Supplementary Estimates

Supplementary Estimates for Quarter two 2018/19 of £391,580 (of which £68,960 relates to earmarked reserves) are shown below:

Corporate and Democratic Services Portfolio	£000
- Council Tax Collection	
Net savings on two posts in Revenues after creation of a new post in the NNdr team	-4.5
- Leisure Grants	
Lottery management fee vat recovery element used to cover cost of lottery marketing and promotions	1
Financial assistance to Aldershot Town Football Club towards external gas main works to the site	-1
	20
Corporate and Democratic Services Portfolio Total	15.5
Operational Services Portfolio	£000
- Crematorium	
Relining of a cremator and the replacement of the Venturis and nozzles at the crematorium	63
- Contractor Guaranteed Minimum Income Sum entered incorrectly at budget stage. Budget related to 2019/20, entered in 2018/19 in error	
Grounds Maintenance	14.25
Domestic Refuse	53.45
Street Cleansing	17.82
- Domestic Refuse	
Temporary depot space in Doman Road	10
- Parking Management	
Temporary Parking Support Officer (one year contract)	14.7
- Car Parks	
Temporary Parking Support Officer (one year contract)	4.9
Littering and Dog Fouling FPN expenditure	59.58
Littering and Dog Fouling FPN income	-59.58
Operational Services Portfolio Total	178.12

Major Property and Property Portfolio	£000
- Aldershot Regeneration Strategy Investment partner to support Regenerating Rushmoor	25
- Farnborough Town Centre Regeneration Strategy Investment partner to support Regenerating Rushmoor	25
- 168 High Street, Guildford External render repair works to several parts of the property	65
- Town Centres Unforeseen works needed to rectify penetrating damp on external wall of 11 Wellington Street, Aldershot	4
- Estates Support Increase in Valuation Viability Surveys (matched by income from developers)	10
Income from developers in respect of refunds from Valuation Viability Surveys that Rushmoor initially pay for	-10
Major Property and Property Portfolio Total	119
Planning and Economy Portfolio	£000
- Economic Development Grant towards support for Gulfstream relocation to Rushmoor	10
Planning and Economy Portfolio Total	10
Total Supplementary Estimates	322.62

APPENDIX D

Earmarked Reserves

<i>Operational Services Portfolio</i>	£000
- Housing Advice Additional item agreement for one x G5 (2 year contract) funded from homelessness grant money in earmarked reserves). This has now been revised to two x G4 posts. Reverse budget and additional supplementary estimate requested for new posts	-43.49
- Housing Advice Two x G4 posts funded from earmarked reserves (re the supplementary estimate above)	45.1
Operational Services Portfolio Total	1.61
<i>Planning and Economy Portfolio</i>	£000
- Planning Policy Drawdown from the Planning Delivery Fund for the new Principal Planning Officer (SPA Projects)	47.6
Utilisation of 20% of Planning Application on Planning Service improvements on the following cost centres:	
Planning Policy Direct Salaries	12.2
Planning Conservation Direct Salaries	12.2
Planning Conservation Costs Recovered	5.7
Planning Policy Management Training Expenses	13.2
Development Management Direct Salaries	39.5
Development Management Costs Recovered	8.55
- Development Management 20% of Planning Application income to be earmarked for Planning Service improvements	-80
Drawdown from the Planning Delivery Fund for the new Principal Planning Officer (SPA Projects)	8.4
Planning and Economy Portfolio Total	67.35
Total Earmarked Reseve transfers	68.96

APPENDIX E

Budget Savings at Quarter 2

Negative supplementary estimates showing as budget savings for Quarter two 2018/19 (post original estimate) of (£619,320) are shown below:

<i>Corporate and Democratic Services Portfolio</i>	£000
- Council Tax	
Budget saving on year end billing costs (part of procurement exercise)	-7.7
- Council Tax Support Scheme	
Housing Benefit post deleted, part of costs used to cover Citizens account (£11.5k)	-5.345
- Rent Allowance	
Housing Benefit post deleted, part of costs used to cover Citizens account (£11.5k)	-10.851
Corporate and Democratic Services Portfolio Total	-23.896
<i>Customer Experience and Improvement Portfolio</i>	£000
- Customer Services Unit	
Service transformation swing (2018/19 only)	-30
- Council Offices	
Handyman post deleted	-1.4
Procurement savings relating to fire safety and intruder alarm services contract	-1.75
- Facilities	
Handyman post deleted	-0.52
- Application Support	
Purchase of new product, Idox Onsite Apps. This will produce a saving of £90k across 5 years however in year one there is an increase of £33,950. This cost is included in the 'Savings Requirements' spreadsheet	33.95
Customer Experience and Improvement Portfolio Total	0.28

<i>Major Projects and Property Portfolio</i>	£000
- Industrial Estates	
Loss of income from previous tenant of the Renault Garage, 252 Ash Road, Aldershot	40.5
Additional income due to new acquisition of the Renault Garage, 252 Ash Road, Aldershot	-144
Additional income due to new acquisition of Bridge House, Plot 20 Farnborough Industrial Estate	-304.703
	-1.15
Procurement savings relating to water infection and legionella control contract	
- Corporate Property Management	
Procurement savings relating to fire safety and intruder alarm services contract	
- Corporate Property Management	-0.02
- 35/39 High Street, Aldershot	-0.05
- Sustainability Initiatives	
Deletion of Energy and Environment Manager post. Therefore no longer receiving income from Hart DC as the position was shared	-50.4
Deletion of Energy and Environment Manager post. No longer receiving income from Hart DC	19.8
Major Projects and Property Portfolio Total	-439.851
<i>Operational Services Portfolio</i>	£000
- Crematorium	
Budget saving Change in service delivery to internet music system at the Crematorium	-32.6
Procurement savings relating to electrical testing contract	
- Cemeteries	-0.423
- Beaumont Guard Rooms Community Centre	-0.665
- Farnborough Community Centre	-1.752
- Southwood Community Centre	-0.906
- Parks and Recreation Grounds	-1.087
	-0.33
Procurement savings relating to water infection and legionella control contract	
- Parks and Recreation Grounds	

Procurement savings relating to fire safety and intruder alarm services contract	
- Beaumont Guardrooms	-0.16
- Blunden Hall	-0.03
- Farnborough Community Centre	-0.64
- Prospect Community Centre	-0.36
- Parks and Recreation Grounds	-0.39
- Southwood Community Centre	-0.03
- Cemeteries	-0.06
- Crematorium	-1.07
Operational Services Portfolio Total	-40.503
<i>Planning and Economy Portfolio</i>	£000
- Development Management Pre Application Charges Increase in charges agreed with effect from 07 March 2018. (Although increase states 20% increase in charges, the figure quoted in the financial implications of £36k is a 44% increase on the original 2018/19 budget)	-11
Procurement savings relating to electrical testing contract	
- Princes Hall	-1.208
Procurement savings relating to fire safety and intruder alarm services contract	
- Princes Hall	-3.14
- Development Management Increase Planning Application income to a more realistic figure	-100
Planning and Economy Portfolio Total	-115.348
Budget Savings Total	-619.318

APPENDIX F

SAVINGS PROGRAMME 2018-19 £1.550m

Savings Programme 2018-19			
	Target	Oct-31	Change
	£k	£k	£k
Summary	1550	1061	-489
Detail:			
Achieved, in budget			
Planning fee income (increase to base budget)	100	100	
Planning pre application fees	11	11	
Investment in Commercial Property (Plot 20 F/B Industrial Es	282	305	
Investment in Commercial Property (Renault Garage)	90	103	
Internet-based music system - Bereavement Services	35	33	
Benefits service (2 FTE released) & other minor adjustments	17	16	
MARS (2nd round) & restructure	32	31	
Better Procurement	25	25	
Environmental Services Contract Hub	30	30	
Changes to software licencing	-34	-34	
Achieved, in budget	588	620	32
On track			
MARS (2nd round) & restructure			
Better Procurement	0	0	
Environmental Services Contract Hub			
Loan to Farnborough International	33	33	
On track	33	33	0
Some issues, requires monitoring			
Fees and Charges	24	24	
Investment in Commercial Property			
- Property 1	575	209	
- Property 2	310	155	
Some issues, requires monitoring	909	388	-521
Serious issues or doubts			
Mod.Gov	20	20	
Rushmoor 2020			
Other Housing projects			
Major contract renewal - Leisure			
Serious issues or doubts	20	20	0
	1550	1061	-489
Income/Expenditure analysis			
Income	1392	907	-485
Expenditure	158	154	-4
	1550	1061	-489
Income as a percent of total	89.8	85.5	
Expenditure as a percent of total	10.2	14.5	