

## GENERAL FUND PROVISIONAL OUTTURN 2018/19

### SUMMARY AND RECOMMENDATIONS:

#### SUMMARY:

This report sets out the provisional outturn position on the General Fund (revenue and capital) for 2018/19 (subject to audit).

#### RECOMMENDATIONS:

Members are requested to:

- (i) note the draft Revenue and Capital Budget outturn position;
- (ii) approve carry forward requests from 2018/19 into 2019/20
- (iii) approve the transfers outlined in the report between the General Fund, the Stability and Resilience Reserve, the Service Improvement Fund, and Commercial Reserve (subject to final outturn position).

## 1 INTRODUCTION

- 1.1 This report provides the revenue and capital outturn position for 2018/19 financial year. The purpose of this report is to inform members of the Council's anticipated position for 2018/19 and notify members of any material variations to budgets, highlighting key issues, and actions taken if required.
- 1.2 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 31 May 2019. The statements will be audited during the summer, before consideration by the Licensing, Audit 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 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 (FIN1914) 2 April 2019.
- 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 £2 million.

- 2.3 The provisional outturn shows an improvement in the Council's financial position, with a favourable portfolio variance of approximately £2,233,065 against the current approved budget. This is before reserves transfers and carry forwards are taken into account. Members are to note that portfolio variance includes transfer to and from earmarked reserves of £652K as detail in **Appendix A** and carry forwards of £459K, summarised in **Table 1**, with further detail in **Appendix F**.

**Table 1: Carry Forward Requests**

<b>Service</b>	<b>Revenue Funded (£)</b>	<b>Other Funded (£)</b>	<b>Service Total (£)</b>
Financial Services	14,900	-	14,900
ICT, Facilities and Project Services	50,000	26,000	76,000
Economy, Planning and Strategic Housing	15,350	-	15,350
Operational Services	11,500	10,220	21,720
Democracy, Strategy and Partnerships	61,600	22,501	84,101
Legal Services	7,500	-	7,500
Regeneration and Property	129,900	17,213	147,113
Customer Experience	7,000	30,101	37,101
Human Resources	20,100	-	20,100
Environmental Health and Housing	-	34,890	34,890
<b>Total Carry Forwards</b>	<b>317,850</b>	<b>140,925</b>	<b>458,775</b>

- 2.4 Once Corporate Income and Expenditure and other non-portfolio budget variations are taken into account, the overall favourable variation on the General Fund is £1,251,000, as summarised in **Table 2** below and in further detail in **Appendix A**.

**Table 2: General Fund Revenue Position**

	2018/19 REV (£'000)	2018/19 Provn Outturn (£'000)	2018/19 Variance (£'000)
<b>General Fund Revenue Outturn</b>			
Corporate & Democratic Services	5,593	5,385	(208)
Customer Experience & Improvement	93	10	(83)
Major Projects & Property	(1,793)	(2,233)	(440)
Operational Services	8,232	6,832	(1,400)
Planning & Economy	2,574	2,440	(133)
Reversal of Capital/Pension	(2,155)	(2,108)	47
<b>Portfolio Net Expenditure</b>	<b>12,544</b>	<b>10,327</b>	<b>(2,216)</b>
Corporate Income & Expenditure	(946)	183	1,129
Savings Plan	(379)	(129)	250
<b>Net Total Expenditure</b>	<b>11,219</b>	<b>10,381</b>	<b>(837)</b>
TOTAL Funding	11,336	11,810	475
<b>Core Surplus / (Deficit) before c/f</b>	<b>117</b>	<b>1,429</b>	<b>1,312</b>
Carry Forwards	0	(318)	(318)
<b>Core Surplus / (Deficit) after c/f</b>	<b>117</b>	<b>1,111</b>	<b>994</b>
<b>Additional Transfers</b>			
to General Fund Balance			0
to Commercial Property Reserve		(475)	(475)
to Stability & Resilience Reserve	(117)	(250)	(133)
to Service Improvement Fund		(386)	(386)
<b>Core Surplus / (Deficit) after Transfers</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

(Table may contain roundings)

- 2.5 The favourable outturn variance should be seen in the context of the financial position outlined in the Medium Term Financial Strategy (MTFS) and associated financial risks. Broadly speaking, there are 3 main areas to consider.

### **Business Rates and Government Funding**

At the time the 2019/20 budget was prepared, the forecast for business rates for 2018/19 was for a surplus of £747k. The outturn position on the business rates collection fund is a deficit of £1,373k, in part due to continued uncertainty on appeals and a need to make adequate provision for backdated refunds. Rushmoor's share of any surplus or deficit under the current business rates retention scheme is 40%. The actual amount of the deficit that will need to be financed by the Council is also dependent on the level of business rates income retained in 2020/21.

Due to the way business rates income is accounted for, Rushmoor's share of the deficit will need to be budgeted for in 2020/21 and 2021/22. Therefore, it would be prudent to set aside a further £133k (i.e. £250k in total) from the favourable outturn position to ensure funding is available to meet the Council's share of the deficit in future years.

## **Commercial Property**

Members will be aware that the Council has acquired a number of Commercial Properties over the last 12 months to provide an ongoing income stream for the Council to continue to provide local services. As Government funding has reduced over the last few years, the Council has become increasingly reliant on income from Commercial Property to ensure local services are delivered.

Given the risk with holding commercial property in terms of occupancy rates and fluctuations within the general property market, the MTFS allocated £2m from the 2019/20 budget to a new earmarked reserve to provide some mitigation against this risk.

There is a report being considered at this meeting which highlights a change in the level of income the Council will be able to realise on 168 High Street Guildford as a result of a forced change in the main tenant. Due to the current market conditions and the need to provide suitable tenant incentives, it is anticipated that no income will be received leading to a shortfall of £285k against the budget. The report also outlines both revenue and capital costs that will need to be incurred in order to secure the tenant.

In addition, there are some further budgetary pressures expected in 2019/20 that require funding:

- the Council has commissioned an independent review of its recent commercial property acquisitions (estimate of £40k)
- urgent remedial work on Aldershot regeneration property to deal with unsafe structure (estimate £50k-£100k)

Therefore, it would seem reasonable to set aside an additional £475k in the Commercial Property Reserve to offset the income loss and costs due in 2019/20.

## **Organisational Redesign, Feasibility studies and Capital Funding**

The MTFS includes savings targets of around £1.3m for Organisational redesign from 2020/21. In order to deliver cost savings, investment will be required during 2019/20 in IT and process changes, and costs associated with supporting organisational redesign and change.

Invest to save capital funding to unlock cost reductions and/or additional income streams. Subject to business cases that can clearly demonstrate .... Revenue funding would enable initial feasibility studies to progress

Therefore, it is recommended that £386k is allocated to the Service Improvement Fund to facilitate the upfront investment required for organisational redesign and to provide a modest fund to support capital bids that invest in services to enable future costs reduction or the realisation of additional streams.

- 2.6 Members are to note that the Outturn is a draft position and currently to do not contain property capital valuation adjustments due to delays in the

provision of the information. Any material variation in the Outturn position presented will be brought back to Cabinet for further approval.

- 2.7 Section 3 of this report provides a detailed overview of the variations across the revenue budget.
- 2.8 The original budget for 2018/19 identified the need for £1.550m of savings, with £325k of expected staff turnover savings. Substantial savings of £867k were achieved in the first half of the year and have been incorporated into revised budget. A further £158K savings have been identified from a zero based budgeting exercise, resulting in an outturn savings position of £1.025m reported in **Appendix E**. Staff turnover savings of £129K have been achieved against a revised budget of £50K, reported in **Appendix A**.

### **3 REPORTED VARIANCES**

- 3.1 The outturn position shows a net underspend of approximately £2,233,065 against non-salary budgets. A summary of the key variances are set out in **Appendix B**.
- 3.2 A significant element of this relates to additional one-off income variations (see paragraph 3.3 below), some of the variation will be ongoing and could be removed from the budget on a permanent basis. Further work by budget holders with support from Finance to identify the level of ongoing savings that could be released as budget and efficiency savings.
- 3.3 Included in the variations identified, are a number of underspent budget items totalling £458,775 where specific conditions have prevented work being carried out during 2018/19 but this work is still required and therefore will be carried out during 2019/20.
- 3.4 £140,925 of these carry-forwards relates to expenditure that is directly funded by other sources, and therefore has no effect on the General Fund Revenue balance as grants have been set aside to meet this future expenditure.
- 3.5 A significant element of the overall variance (£759k net transfer to reserves) 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:
- £709k net 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 at Southwood Woodlands and Rowhill Nature Reserve.
  - £15k income in respect of Individual Elector Registration
  - An increase of £49k in income required to be ring-fenced as part of the Civil Parking Enforcement (CPE) surplus
  - £33k net income in respect of A331 Air Quality Projects

- £270k in respect of Flex Homeless Grant 1819
- 3.6 The staff monitoring exercise has identified a net projected underspend of £129k from salary savings, which exceeds the £50k expected to be delivered against the revised budget. This is largely due to a number of vacancies across the following services; HR (£14k), Regeneration, Property and Highway infrastructure (£21k), Customer Experience (£12.8K), Economy, Planning & Strategic Housing (£12k), Environmental Health (£29k) and Community (£43k).
- 3.7 Estimates for interest receivable have been reduced by £28k due to a delay in reinvesting in long term pooled fund. Interest payable on borrowing has decreased by £34k due to a decrease in our borrowing requirement (largely due to changes in timing of purchases within the capital programme). This combination has resulted in a favourable variance of £6k.
- 3.8 As a result of the variations referred to above, the general fund forecast shows a projected year-end balance of £2m after reviewing the level of transfers to or from major reserves such as the Stability & Resilience Reserve, the Service Improvement Fund and Commercial Reserve.

#### 4. RESERVES

- 4.1 The level of balances shown for the General fund is in excess of the approved range of £1m-£2m at £3,251m. This enables the Council to transfer £1,569m to the Council's other three working reserves – the Stability and Resilience Reserve, the Service Improvement Fund and Commercial Reserve. Members should consider the following proposed transfers in **Table 3**.

**Table 3: Transfers between working reserves**

Revenue Balances	Reserve transfer (to/(from) £000	Reason
General Fund Balance	(1,111)	Balance in excess of £2m limit
Stability & Resilience Reserve	250	To equip the Council for revenue impact of future Business Rates Retention Scheme and Fair Funding.
Service Improvement Fund	386	To enable the Council to deliver Rushmoor 2020 and other improvement projects, such as, installation of a new boiler at the Council Offices (£18K) and LSH Investment Management review of the Investment Property portfolio (£39K)
Commercial Reserve	475	To equip the Council to manage income fluctuations from commercial income stream. For example, to cover lost income from tenant vacancies and economic downturn currently impacting 158 High Street Guildford (estimated income loss in 2019/20 of £285k), for which a separate report is issued on the Cabinet agenda.
<b>Estimated Balances at 31 March</b>	<b>0</b>	

- 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 a round of consultations on the future funding of local government (Fair Funding Review) which will review the funding allocations between local authorities from 2020/21.
- 4.4 The balance on the fund at the close of 2018/19 is at £4.47m to cover short-term fluctuations in income due to the operation of the Business Rates Retention Scheme, for example. The additional £500k transferred from the General Fund increases the reserve balance to £4.97m. The increase will bolster the Council's resilience to the future revenue uncertainty because of the Fair Fund Review and Business Rates Retention Scheme outlined in the MTF5.
- 4.5 The Service Improvement Fund is held to support key projects such as invest-to-save schemes, which underpin the Council's plan for a sustainable organisation. **Table 4** 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.

**Table 4: Service Improvement Fund**

SERVICE IMPROVEMENT FUND	2018/19 Total Approved Budget	2018/19 Actual Expenditure	Variance	2019/20 Original Budget	Slippage/ (Pre-spend) to 2019/20	2019/20 Total Approved Budget
Opening balance on Fund	890,766	890,766				615,007
Additional Income	0			453,000		453,000
HR Policy	9,760	9,672	-88	0	0	0
Finance Improvement Projects	11,280	10,258	-1,022	4,490	0	4,490
Legal Compliance	6,050	4,077	-1,973	0	0	0
Temporary Property Assistant	16,970	16,693	-277	4,090	0	4,090
Regeneration Support	60,000	60,000	0	60,000	0	60,000
Organisational Redesign & Structure Review	182,260	175,059	-7,201	197,530	7,201	204,731
Rushmoor 2020	20,000	0	-20,000	280,000	20,000	300,000
Expenditure in year	306,320	275,758				573,311
<b>Closing balance</b>	<b>584,446</b>	<b>615,007</b>				<b>494,696</b>

- 4.6 The Council has the flexibility to use some of its Capital Receipts to support revenue spending in the pursuit of efficiency and service transformation. Transferring £359k to the Service Improvement Fund will increase the overall balance to £975k. The increase will enable the Council to effectively deliver Rushmoor 2020 and other improvement projects, such as, installation of a new boiler at the Council Offices (£18K) and LSH Investment Management review of the Investment Property portfolio (£40K).
- 4.7 The strategy for Flexible Use of Capital Receipts 2018/19 was approved at Full Council on 22 February 2018, with revised budgets approved by Full Council on 21 February 2019. A summary of movements is shown below.

**Table 5: Flexible Use of capital Receipts**

Project	Actuals 2016/17	Actuals 2017/18	Total Approved Budget 2018/19	Actuals 2018/19	Variance	Original Budget 2019/20	Slippage/ (Pre-Spend) to 2019/20	Total Approved Budget 2019/20
<b>Opening Balance</b>	<b>500,000</b>	<b>338,224</b>	<b>520,509</b>	<b>520,509</b>				<b>187,416</b>
<b>Additional Capital Receipt</b>		<b>480,000</b>						
<b>Income Generation &amp; Commercial</b>								
Creation of new income generating assets	24,225	-	-	-	-	-	-	-
To support the delivery of the Housing and Regeneration Programme	-	58,157	47,138	29,926	17,212	-	17,212	17,212
To invest in property, diversifying the asset portfolio and securing greater returns	10,000	20,000	-	-	-	-	-	-
To explore new ways of delivering services while maintaining or improving service standards and reducing costs	-	-	22,500	12,283	10,217	57,500	10,217	67,717
Making better use of existing assets by utilising land for advertising hoardings in order to maximise revenue return.	6,500	-	-	-	-	-	-	-
Making better use of existing assets by utilising land for advertising hoardings in order to maximise revenue return (Phase 2)	-	-	-	-	-	-	-	-
To understand sales trends, price demand and ticket buying behaviour	-	-	12,700	12,700	-	-	-	-
<b>Organisational Development</b>								
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	-	-	-	-	-	-
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	256,758	256,761	3	-	0	0
<b>Customer &amp; Digital</b>								
A comprehensive IT approach to integrate the client and contractor systems	-	48,351	36,649	10,360	26,289	-	26,289	26,289
Feasibility and implementation of an expanded customer hub model	-	51,076	21,164	11,063	10,101	35,500	10,101	45,601
Setting up new governance arrangements and project management support to overall transformation programme	16,852	5,900	0	-	0	-	-	-
To successfully implement the new waste contract	6,000	58,293	-	-	-	-	-	-
Unassigned	-	-	-	-	-	30,600	3	30,597
<b>Total Expenditure</b>	<b>161,776</b>	<b>297,715</b>	<b>396,909</b>	<b>333,093</b>				<b>187,416</b>
<b>Closing Balance</b>	<b>338,224</b>	<b>520,509</b>	<b>123,600</b>	<b>187,416</b>				<b>0</b>

4.8 The **Table 5** details the projects included in the Strategy and shows a forecast position following the latest budget monitoring. A summary of the main variances are as follows:

- To support the delivery of the Housing and Regeneration Programme:- Advice on Business Plan in respect of the housing company and other associated costs will not happen until 2019/20.
- To explore new ways of delivering services while maintaining or improving service standards and reducing costs:- The budget is for the procurement of the new Leisure Contract and a feasibility study to be carried out on the Farnborough Leisure Centre has been brought forward into 2018/19
- A comprehensive IT approach to integrate the client and contractor systems:- The budget is for integrating IT in respect of the Council's new waste contract. Monies have been received from the waste contract provider in year and used in advance utilising capital receipts.
- Feasibility and implementation of an expanded customer hub model:- No further work is to take place on this project before the end of the financial year.

4.9 The overall effect on the main working balances is shown in **Table 6** below.



**Table 6: Balances and Reserves**

<b>Balance and Reserves (excluding specific earmarked reserves)</b>	<b>2018/19 Opening Balance (£'000)</b>	<b>2018/19 Transfers to (£'000)</b>	<b>2018/19 Transfers from (£'000)</b>	<b>2018/19 Closing Balance (£'000)</b>
General Fund Balance	2,000	0	0	2,000
Commercial Property Reserve	0	475	0	475
Stability & Resilience Reserve	4,353	250	0	4,603
Service Improvement Fund	891	386	(275)	1,001
Other Earmarked Reserves	4,581	1,128	0	5,710
<b>Subtotal</b>	<b>11,825</b>	<b>2,239</b>	<b>(275)</b>	<b>13,789</b>

## 5 GENERAL FUND CAPITAL OUTTURN

- 5.1 The Council approved the revised Capital Programme of £45.737m on 21 February 2019.
- 5.2 The Capital Outturn is summarised in **Table 7** below.

**Table 7: Capital Programme Summary**

<b>Analysis of capital expenditure and approved budget for the year 2018/19</b>	<b>£000</b>
Total approved budget for the year 2018/19	45,737
Additional budget approvals made for the 2018/19 year	34,988
<b>Total approved budget for 2018/19</b>	<b>77,726</b>
<b>Actual capital expenditure for the year</b>	<b>48,093</b>
Net variance (against approved budget)	(26,632)
Slippage/(Pre-spend) to 2019/20	33,968

- 5.3 The 2018/19 Capital programme included the following significant projects:
- (a) finalisation of accounts relating to the construction of the Council's new Depot,
  - (b) Aldershot Town Centre Integration and Union Street,
  - (c) finalisation of a loan to Farnborough International, and
  - (d) further acquisition of investment properties.
- 5.4 A Portfolio summary of all approved projects is shown at **Appendix C** to this report. This Appendix includes a list of all expenditure and grant/contribution variations that have been approved since Full Council approved the Revised Estimate for 2018/19 on 21 February 2019 for the financial year 2018/19.

5.5 **Appendix D** sets out the details in relation to:

1. The significant over/(under) spend variations to date;
2. The major areas of slippage;

5.6 Additional approval was given for £30.564m to be draw forward from 2019/20 capital budget, and £4.424m from 2020/21 capital budget. The draw forward budget relates to planned purchases of investment property in 2018/19, originally scheduled for 2019/20 and 2020/21. Variations related to brought forward budgets have been incorporated into the approved budget for 2018/19.

5.5 The in-year net underspend against approved 2018/19 budget of £26.632m and slippage of £33.968m is due mainly to the timing of investment property purchase changing from the current approved budget.

5.6 The capital resources not used due to slippage will transfer into 2019/20. Over the 5 year capital programme term to 2022/23 the slippage and pre-spend from 2019/20 and 2020/21 produce a variation of £1.33m against a total programme value of £171m.

## **6 CONCLUSIONS**

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

6.2 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.

6.3 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.

6.4 The outturn shows that the general fund balance is likely to be around the top of the range set in the Medium Term Financial Strategy for 2018/19, while the total for working balances sits comfortably above the 5% minimum target set in the Financial Strategy, thus providing additional flexibility moving into 2019/20.

- 6.5 While this report provides reassurance for the current financial year, the scale of the challenge over the medium-term remains considerable and efforts should be concentrated on moving forward modernisation and improvement plans in order to support delivery of the Council Plan and secure a sustainable financial future.
- 6.6 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.

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## GENERAL FUND REVENUE BUDGET SUMMARY

	REVISED ESTIMATE	CURRENT APPROVED ESTIMATE	OUTTURN	VARIATION
	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000
<b>Net Cost of Services by Portfolio</b>				
1 Corporate & Democratic Services	5,593	5,596	5,385	(208)
2 Customer Experience and Improvement	93	90	10	(83)
3 Major Projects and Property	(1,793)	(1,737)	(2,233)	(440)
4 Operational Services	8,232	8,187	6,832	(1,400)
5 Planning & Economy	2,574	2,532	2,440	(133)
6 <b>PORTFOLIO NET EXPENDITURE</b>	14,699	14,668	12,435	(2,264)
7 Capital Accounting Charges - Reversed	(1,710)	(1,710)	(1,728)	(18)
8 Pension Adj/Employee Benefits Reversed	(445)	(445)	(380)	65
9 <b>NET EXPENDITURE AFTER ADJUSTMENTS</b>	12,544	12,513	10,327	(2,216)
10 Reductions in Service Costs/Income Generation	(329)	(171)		329
11 Vacancy Monitoring	(50)	(50)	(129)	(79)
12 <b>Corporate Income and Expenditure</b>	(449)	(449)	(431)	18
13 <b>Contributions to/(from) Reserve Accounts</b>	(458)	(458)	970	1,428
14 <b>Central Government Funding</b>	(5,110)	(5,110)	(5,584)	(474)
15 <b>NET TOTAL EXPENDITURE</b>	6,148	6,275	5,153	(995)
16 Contribution to/(from) balances	0	(127)	1,033	1,032
17 <b>COUNCIL TAX REQUIREMENT</b>	6,148	6,148	6,185	37
<b>REVENUE BALANCES</b>				
18 1 April	2,000	2,000	2,000	0
19 General Fund Transfer	0	(127)	1,033	1,032
20 31 March	2,000	1,873	3,033	1,032

## Notes:

<b>12 Corporate Income and Expenditure</b>				
Interest Receivable	(977)	(977)	(949)	28
Interest payable	176	176	142	(34)
Minimum Revenue Provision	362	362	329	(33)
Collection Fund (surplus)/deficit - Ctax	(101)	(101)	(101)	0
Collection Fund (surplus)/deficit - NNDR	22	22	22	0
Other Corporate Income and Expenditure	69	69	126	57
<b>Total</b>	(449)	(449)	(431)	18
<b>13 Contributions to/(from) Reserve Accounts</b>				
Transfers to CPE Surplus Account	82	82	131	49
Contributions to/(from) earmarked reserves/prior yr grants	(351)	(351)	680	1,031
Contributions to/(from) earmarked reserves - carry forwards			318	318
Contributions to/(from) Service Improvement Fund	(306)	(306)	(275)	31
Contributions to/(from) Stability & Resilience Reserve	117	117	117	0
Contributions to/(from) Commercial Reserve	0	0	0	0
<b>Total</b>	(458)	(458)	970	1,428
<b>14 Central Government Funding</b>				
New Burdens and other non-ring-fenced grants	(201)	(201)	(325)	(124)
New Homes Bonus	(1,095)	(1,095)	(1,095)	
Revenue Support Grant	(190)	(190)	(190)	
Business Rates Retention (BRR)	(3,624)	(3,624)	(3,974)	(350)
<b>Total</b>	(5,110)	(5,110)	(5,584)	(474)



## APPENDIX B

**GENERAL FUND REVENUE ACCOUNT 2018/19**  
**PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET**  
**Variations identified during 2018/18 financial year amounting a net underspend of £2,233,065**

<b>Corporate and Democratic Services Portfolio</b>		<b>VARIANCES RELATED TO EXPENDITURE BUDGETS</b>	<b>£000</b>
Corporate Manager Legal Services	Legal Support	Publications moved to cheaper online portal and invoices cancelled as gesture of goodwill	(5,000)
		Additional locum services were needed to keep up with the higher number of acquisitions	18,546
Democracy, Strategy and Partnerships	Electoral Registration	Reduction in costs of printing and postages on Electoral Registration	(12,295)
		Reduction in spend on design and implementation for new Customer Account for Electors for which a carry forward request will be requested: Canvass fees	(21,900)
		Individual Elector Registration (Non-Recurring Item) (part funded from earmarked reserve (£15.3k))	(31,900)
	Community Leisure	Reduction in spend as the work on the Cycle Track Feasibility has been delayed pending an initial options appraisal (Carry forward Request for the £15k has been submitted)	(15,000)
		Reduction in spend on internal printing	(7,000)
Grants to Major Organisations	Reduction in spend in relation to the grant to FAST due to a change in circumstances	(12,411)	
		Expenditure related to Farnborough Airport Community Environmental Fund	56,197
Human Resources	Personnel Support	Reduction in spend on corporate training for which a carry forward will be requested. Starting dates for the Management Development have been slipped to allow input from new Heads of Services	(17,471)
Financial Services	Finance Support	Reduction in spend in 2018/19 due to agency staff being off long term sick. Some audits to be carried out in 2019/20. A carry forward has been requested for £9,900	(9,905)
	External audit and inspection	Reduction in spend due to reduction in fee charged	(9,600)
	Treasury Management and Bank Charges	Reduction in spend due to a change in timing of borrowing requirements	(14,000)
	Rent Allowances	Increase in expenditure due to lower than expected transfer to Universal Credit	1,318,583
All other expenditure variances within portfolio			(108,141)
<b>Total Expenditure Variances in Corporate and Democratic Services Portfolio</b>			<b>1,128,703</b>

Corporate and Democratic Services Portfolio		VARIANCES RELATED TO INCOME BUDGETS	£000
Corporate Manager Legal Services	Land Charges	Underachievement of planned income for Land Charge Searches due to reduction of said searches dictated by unfavourable market conditions and lack of portal available to general public for personal searches	16,434
	Legal Support	Underachievement of planned income due to higher than anticipated third party transactions and waiving of fees due to special circumstances of the deals Still in transitional stage of the 'Increase in S106 Fees' project. New income budget not achieved for this year	10,207 18,150
Democracy, Strategy and Partnerships	Local Elections 1303	Increase in contributions administering Elections organised on behalf of the Government and Hampshire County Council	(8,000)
	Grants to Major Organisations	Income relating to Farnborough Airport Community Environmental Fund	(61,563)
Financial Services	Rent Allowances	Increase in income due to lower than expected transfer to Universal Credit	(1,452,253)
All other income variances within portfolio			137,771
<b>Total Income Variances in Corporate and Democratic Services</b>			<b>(1,339,254)</b>
<b>Total Net Variances in Corporate and Democratic Services Portfolio</b>			<b>(210,551)</b>



Customer Experience and Improvement Portfolio VARIANCES RELATED TO EXPENDITURE BUDGETS			£000
Customer Experience	Customer Services Unit	Reduction in spend on postages due to being proactive in ways of working using the postal services, and reduction in demand	(12,139)
	Communications	Reduction in spend on council magazine - have not used external resources to produce articles this financial year but unlikely to be able to sustain this in 2019/20	(7,602)
		Reduction in spend on web development due to delays in implementing changes to website (a carry forward will be requested)	(7,000)
ICT, Facilities and Project Services	IT Management	Budget required to review the financial system. Project delayed to allow time for the new Executive Head of Finance to assess the position (in the meantime patching is underway and further work will be required on enhancing the system in 2019/20)	(29,761)
		Also a reduction in spend on consultancy due to a reduction in requirement towards the end of the financial year. A carry forward of £20,000 has been requested	
		Reduction in cost of photocopiers (due in part to an accrual error in 2017/18 for £3k)	(6,850)
	Rushmoor 2020	Project delayed to allow new Head of Customer Experience and project team to research and assess requirements. A carry forward of £30,000 has been requested	(30,000)
	Application Support	Reduction in cost of applications software	(9,370)
Council Offices	Various increase in spend, main areas being emergency repairs to a broekn compressor, wall heaters required for external occupants using offices out of hours, cleaning of air handling units, emergency works identified following legionella checks, boiler repairs and office furniture following a number of office moves/reconfigurations	10,558	
		Increase in cost of cleaners (both internal and external staff)	5,811
All other expenditure variances within portfolio			223,386
<b>Total Expenditure Variances in Customer Experience and Improvement Portfolio</b>			<b>137,033</b>

Customer Experience and Improvement Portfolio VARIANCES RELATED TO INCOME BUDGETS			£000
ICT, Facilities and Project Services	Council Offices	Income received re the lift insurance claim. The claim was in respect of the replacement /repair of the lift	(15,328)
		Reduction in income due to a number of historic invoices being cancelled as the official agreement for the increase had not been signed	16,529
	Other Income	Reduction in works carried out on behalf of another local authority	5,745
All other income variances within portfolio			(223,032)
<b>Total Income Variances in Customer Experience and Improvement Portfolio</b>			<b>(216,086)</b>

<b>Total Net Variances in Customer Experience and Improvement Portfolio</b>	<b>(79,053)</b>
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Major Projects and Property Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Regeneration, Property and Highways	Aldershot Regeneration Strategy 1100	Increased spend on consultancy fees for Aldershot Regeneration	19,172
		Reduction in spend on anticipated set up costs for Regeneration Company (external support) for which a carry forward will be requested	(25,000)
	168 High Street Guildford	Additional car parking costs for tenants during rendering works	5,327
	35/39 High Street, Aldershot	Delay in appointing temporary building surveyor to assess and instruct possible works needed on units	(6,704)
	Optrex Business Park	Budget is overstated	(11,974)
	114-116 Dominion Road, Worthing	Adverse variance regarding additional unplanned consultancy fees for agent who negotiated rental review with Wickes	8,942
	36-62 Union St Aldershot	Delay in structural surveys for Union Street Properties	(6,380)
	Farnborough Town Centre Regeneration Strategy 2102	Reduction in spend on consultancy fees for Farnborough Regeneration for which a carry forward will be requested Reduction in spend on anticipated set up costs for Regeneration Company (external support) for which a carry forward will be requested	(82,271) (22,291)
All other expenditure variances within portfolio			(99,637)
<b>Total Expenditure Variances in Major Projects and Property Portfolio</b>			<b>(220,816)</b>

Major Projects and Property Portfolio		VARIANCES RELATED TO INCOME BUDGETS	£000	
Regeneration, Property and Highways	Estates Management	Adverse variance due to re allocation of income to Legal Services due to restructure	6,603	
	Industrial Estates	Additional lease income from Glen House Estates reflects a favourable variance	(26,231)	
	Belle Vue Enterprise Cer	Loan to Wellesley House accounts to cover repairs and maintenance not currently being recovered by service charges	5,382	
	Town Centres		Reduction in income due to budget set up in error for recharge of building insurance that could not be reclaimed due to nature of the lease	12,440
			Increase in rental income due to new lease for Bevan Lodge	(13,680)
			Increase in rental income due to rent reviews	(18,601)
	35/39 High Street, Aldershot	Missing service charge income from Relate and Gurkha Welfare	9,540	
	36-63 Union Street, Aldershot	Favourable variance due to additional lease income from Marks and Spencer	(95,203)	
	168 High Street Guildford	Underachievement of rental income due to vacancies	21,812	
	13 Invincible Road, Farnborough	Favourable variance reflects additional 'top-up' rent to compensate Rushmoor for the rent-free period Dunelm had in their lease terms when the building was acquired	(97,358)	
	Voyager House	Recent acquisition - no budget at present	(7,214)	
	Frimley 4 Business Park	Recent acquisition - no budget at present	(11,813)	
	Other Highways		Additional Engineering fee	(16,468)
Other contributions from HCC			(11,620)	
Additional income related to temporary traffic regulations			(8,300)	
All other income variances within portfolio			(24,149)	
<b>Total Income Variances in Major Projects and Property Portfolio</b>			<b>(274,860)</b>	

<b>Total Net Variances in Major Projects and Property Portfolio</b>			<b>(495,676)</b>
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Operational Services Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Operations	Housing Advice 2402	Increased spend on bed and breakfast costs for homeless applicants	11,317
		Underspend on flexible homelessness	-163,278
	Parks and Recreation Grounds	Reduction in spend on general repairs and maintenance	(15,965)
		Additional spend on maintenance of trees	44,899
		Reduction in spend on playground apparatus	(18,285)
		Additional spend on SANG projects as per the management plan (these costs are funded by developers contributions)	28,810
		Reduction in spend on Pavilion/building repairs and maintenance	(8,524)
		Reduction in spend on tree survey work	(6,843)
		Additional spend on suitable projects that developers contributions have been collected for	94,717
	Car Parks	Additional spend on Littering and Dog Fouling Pilot Scheme (offset with income)	14,900
		Reduction in spend on lighting repairs	(9,552)
		Increase in spend in managed car parks due to the Council taking on the management of the Aldershot Centre for Health car park for an initial period of time	23,141
		Increase in leisure centre user rebates	7,646
		NNDR Interest Refund	23,653
	Crematorium	Additional spend on utility costs	6,805
		Reduction in spend on ministers fees	(6,318)
		Reduction in spend on the internet based music system	(7,970)
	Grounds Maintenance Contract	Reduction in spend on Grounds Maintenance Variations mainly due to funding a number of projects from suitable developers contributions (a carry forward requested for £20k for the Invincible Road trees)	(25,843)
	Domestic Refuse	Reduction in spend on contractors payment	(15,112)
Street Cleansing	Reduction in spend on the contract variation for non-routine works	(23,051)	
Aldershot indoor pool	Reduction in spend on the leisure contract due to energy indices payment being less than anticipated	(11,464)	
LIDO	Reduction in spend on the leisure contract due to energy indices payment being less than anticipated	(5,016)	
Cemeteries	General repairs and maintenance underspend	(5,933)	
	Grave digging underspend	(16,864)	
Pollution & Environmental Control	Reduction in spend on A331 Air Quality Feasibility Study, this is offset with a reduction in drawdown from the earmarked reserve,	(26,200)	
CCTV	Reduction in spend on equipment maintenance as we are currently on a pay as you go contract	(9,895)	
All other expenditure variances within portfolio			(203,999)
<b>Total Expenditure Variances in Operational Services Portfolio</b>			<b>(324,224)</b>

Operational Services Portfolio		VARIANCES RELATED TO INCOME BUDGETS	£000
Operations	Improvement Grants 240	Increase in income due to more applications than budgeted using support service for improvement grants	(34,608)
	Housing Advice	Increase in rents received Additional homelessness grant received	(22,586) (106,503)
	Parks and Recreation Grounds	Additional income from developers contributions being used to fund the additional spend on projects Additional income from developers contributions for Southwood Country Park Developers income received for Southwood Woodlands SANG * Developers income received for Rowhill SANG * * These SANG receipts will be transferred to the SANG Earmarked Reserve from the general fund at year end	(80,977) (7,864) (466,310) (242,450)
	Car Parks	Additional season ticket permit income due to smartcard top ups ceasing and some of the smartcard customers switching to permits instead of Pay and Display Additional income on Littering and Dog Fouling Pilot Scheme (offset with expenditure) Additional notional income of 'free' parking for charities/voluntary organisations (offset with notional cost figure in the Grants to Major Organisations cost centre)	(12,371) (14,440) (6,718)
		Increase in Pay and Display income Shortfall in penalty charge notice income	(29,686) 17,464
	Community Safety Partnerships	Additional income from recharges for Hosted Posts	(7,477)
	Parking Management	Increase in Pay and Display income Shortfall in penalty charge notice income	(15,794) 27,079
	Cemeteries	Decrease in income from the number of interments of cremated remains in already purchased graves Shortfall in grave sales income Shortfall in monument rights income	10,891 7,198 6,000
	Crematorium	Additional net memorial income Shortfall in income on ministers fees Short fall in cremator income Short fall on memorial vaults	(11,845) 6,500 27,720 12,540
	Recycling	Additional Materials Recycling Facility income Additional recycling credit income due to tonnage Additional green waste sales income	(33,397) (7,884) (16,794)
	Pollution & Environmental Control	Air Quality funding received in 2018/19 which will be offset with a transfer to the earmarked reserves as the project continues into 2019/20.	(32,216)
All other income variances within portfolio			3,336
<b>Total Income Variances in Operational Services Portfolio</b>			<b>(1,031,192)</b>
<b>Total Net Variances in Operational Services Portfolio</b>			<b>(1,355,416)</b>

Planning and Economy Portfolio		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Regeneration, Property and Highways	Sustainability Initiatives	Favourable variance due to planned sustainability and Fairtrade works not coming to fruition in 2018/19	(5,464)
Economic, Planning and Strategic Housing	Princes Hall	Additional spend on artistes Additional spend on pantomime costs	32,987 8,058
	Planning Policy	NRI-LDF examinations lower than estimated	(10,970)
All other expenditure variances within portfolio			(138,799)
<b>Total Expenditure Variances in Planning and Economy Portfolio</b>			<b>(114,188)</b>

Planning and Economy Portfolio		VARIANCES RELATED TO INCOME BUDGETS	£000
Economic, Planning and Strategic Housing	Princes Hall	Additional income from the pantomime	(29,000)
		Shortfall as the income anticipated as part of the pantomime pricing review was included in the 2018/19 Revised Budget but actually relates to the 2019/20 Budget onwards	40,000
		Additional income from refreshments	(8,043)
		Additional income from sales	(67,268)
	Building Control Development Fees	Income down during Nov to Feb, although March was a better performance month, there was too much of a shortfall to make up. Favourable variance was reported during Q3/Q4 budget monitoring as there had been an increase in the income from street naming and numbering due to some large developments coming through. Final outturn is an overachievement of this.	21,100 (8,130)
Planning Development	Planning applications lower than expected for the year at 9.8% below estimate Planning application 20% additional fees lower than expected for the year	39,200 7,700	
All other income variances within portfolio			26,260
<b>Total Income Variances in Planning and Economy Portfolio</b>			<b>21,819</b>

<b>Total Net Variances in Planning and Economy Portfolio</b>	<b>(92,370)</b>
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<b>Net portfolio Expenditure Variances</b>	<b>606,507</b>
<b>Net Portfolio Income Variances</b>	<b>(2,839,573)</b>
<b>Net Portfolio Variances</b>	<b>(2,233,065)</b>



## CAPITAL PROGRAMME MONITORING SUMMARY 2018/19

Expenditure	TOTAL APPROVED BUDGET 2018/19	ACTUAL SPEND 2018/19	VARIANCE	SLIPPAGE TO 2019/20
PORTFOLIO	£'000	£'000	£'000	£'000
MAJOR PROJECTS AND PROPERTY	70,727	43,173	(27,554)	31,991
CORPORATE AND DEMOCRATIC SERVICES	1,497	1,433	(64)	64
CUSTOMER EXPERIENCE AND IMPROVEMENT	1,830	288	(1,542)	1,510
OPERATIONAL SERVICES	3,571	3,199	(372)	303
PLANNING AND ECONOMY	100	0	(100)	100
<b>TOTAL</b>	<b>77,725</b>	<b>48,093</b>	<b>(29,632)</b>	<b>33,968</b>

Capital Financing	REVISED BUDGET 2018/19	ACTUAL 2018/19
FUNDING	£'000	£'000
Grants and other Contributions	2,929	1,871
Developers' Contributions	131	121
Capital Receipts/Borrowing	42,677	46,101
<b>TOTAL</b>	<b>45,737</b>	<b>48,093</b>





## Over/Underspends, slippage and material variances in relation to schemes financed by grants/contributions.

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

<b>Scheme</b>	<b>Explanation</b>	<b>Over / (Under) Spend £000s</b>
<b>12 Arthur Street</b> Redevelopment	Project is complete. £3k underspend compared with the last budget monitoring.	<b>10</b>
<b>INVESTMENT PROPERTY</b>	Net impact of a timing variation in the purchasing of investment property against original 2018/19 budget. Corresponding slipped amount of £24,852K to 2019/20 outlined below.	<b>(20,428)</b>
<b>DEPOT</b> Southwood depot	No goods/services received in 18/19, the budget was only agreed late in 18/19, budget to carry forward to 19/20. (See Slipped items)	<b>(20)</b>
<b>COUNCIL OFFICES</b> Accommodation and Upgrade Changes	Priorities are identified as the year goes on and in this instance the full budget has not been spent in 2018/19. Budget to be released as new budget included for 2019/20.	<b>(13)</b>
<b>COUNCIL OFFICES</b> Co-Location - Relocation of Voluntary Group	The large overspend on the Citizens Advice relocation project (5341) is largely offset by underspends on co-location (5335) and office accommodation (5329).	<b>19</b>
<b>IMPROVEMENT GRANTS</b> Housing Renewal Grants	Unspent budget will be released, renewal grants are only discretionary so are not always fully paid out.	<b>(30)</b>
<b>REFUSE / RECYCLING</b> Wheeled Bins	Overspend is as a result of an increase in new builds.	<b>23</b>

## Appendix D

<p><b>CREMATORIUM</b> Mobile Elevation Work Platform</p>	<p>The mobile elevation work platform not received until April and amount charged is £9,921 and therefore cost in 2019/20 will need to be moved to revenue.</p>	<p><b>(10)</b></p>
<p><b>PARKS AND OPEN SPACES</b> Ivy Road Sports Pavilion</p>	<p>Abortive project, costs in respect of 17/18 and 18/19 moved to revenue.</p>	<p><b>(18)</b></p>
<p><b>CAR PARKS</b> Car Park Enhancements</p>	<p>£10k of the budget was set aside for Farnborough Football Club car park entrance gates and perimeter railings, £7.7k spent. Remaining underspend can be released. The remaining £63k of the budget was set aside for Cove Football Club car park resurfacing and this work has been completed with the exception of line painting which should only be a few thousand Cove Football club. £4.5k has been allowed for line painting and the remainder of the budget has been released in line with budget monitoring.</p>	<p><b>(20)</b></p>
<p><b>COMPUTER SYSTEMS</b> ICT Strategy and Customer First Projects</p>	<p>Work has completed on the purchase of G/on tokens for flexible working, the purchase of iPads for Building Control mobile working and the bottomline payments system upgrade.</p> <p>The Office 365 project is still ongoing. The Veeam backup project is nearing completion, just need to finish moving Princes Hall and the Crematorium from a physical server to a virtual server.</p> <p>Annual penetration testing is delayed until April 2019 due to retendering the contract.</p> <p>The CSU customer queuing system is likely to be delayed until 2019/20 due to delays by the provider responding to technical queries raised. This is reflected in the under spend figure and is also included as slippage below.</p>	<p><b>(24)</b></p>
<p><b>COMPUTER SYSTEMS</b> Finance/Cashier System Improvements</p>	<p>No budget slippage as £20k budget included in 19/20 for this (£10k for PCI compliance and £10k for additional</p>	<p><b>(13)</b></p>

## Appendix D

	Integra modules)	
<b>COMPUTER SYSTEMS</b> Digital by Design/Communities	Over spend on various project within code 7500.	<b>15</b>

- 2 The major areas of slippage/(Pre-spend) identified to date which are included within the (Appendix C) net reduction in spend of £33,968,000 against the approved Capital Programme are provided in the table that follows:

Scheme	Explanation	Slippage /(Pre- spend) to 2019/20 £000s
<b>INVESTMENT PROPERTY</b> Property Purchases	The purchase of the property did not complete in 2018/19 therefore budget slippage required.	<b>24,852</b>
<b>REGENERATION</b> Various Purchases 36-62 Union Street, Aldershot	No variance was reported at monitoring as there was reason to believe 48/48a would be purchased but this has not taken place in 2018/19.	<b>529</b>
<b>DEPOT</b> Southwood depot	No goods/services received in 18/19, the budget was only agreed late in 18/19, budget to carry forward to 19/20.	<b>20</b>
<b>REGENERATION</b> Activation Aldershot - Project 1 Integration between AUE and Town Centre	Works still not certified by HCC so still unable to pay LEP loan over.	<b>1,500</b>
<b>REGENERATION</b> Civic Quarter, Farnborough	Contracts were not exchanged on the Police Station in 2018/19.	<b>6,350</b>
<b>Flexible Use of Capital Receipts</b> Various Projects	Outturn is in line with mid Q4 budget monitoring with the exception of the leisure contract procurement project where more significant expenditure had been expected in 2018/19 related to a feasibility study of the leisure centre going to be completed in this period, however this did not take place.	<b>64</b>

## Appendix D

<b>REGENERATION</b> Activation Aldershot - Project 2 Phase 6 - Station Forecourt Improvements	The project has been delayed further due to being integrated within the Windsor Way highway improvements.	<b>100</b>
<b>CYCLEWAY LINKS</b> Hazel Avenue to Arrow Road	A contractor is still to be identified but it is hoped that work on this should start early in 2019.	<b>23</b>
<b>REGENERATION</b> Housing PRS Delivery	A small amount of expenditure incurred in 2018/19 on architects, valuers and other professional fees but the remainder of the budget can slip to 2019/20.	<b>80</b>
<b>REGENERATION</b> Union Street East, Aldershot	No variance was reported at monitoring as there was reason to believe 48/48a would be purchased but this has not taken place in 2018/19.	<b>91</b>
<b>CEMETERIES</b> Ship Lane - Drainage	No works carried out in 2018/19 and project is slipping to 2019/20 as works cannot commence until land has dried & nesting season is over	<b>11</b>
<b>IMPROVEMENT GRANTS</b> Disabled Facilities Grants	The full budget has been committed in 2018/19 but not necessarily paid out or become due.	<b>153</b>
<b>DEPOTS</b> Lyons Avenue Depot	The project still has a couple of things to be finished, such as the fuel tank which was due to arrive in Feb has been delayed until April.	<b>34</b>
<b>CAR PARKS</b> Aldershot Park Car Park - LED powered lighting columns installation	Lights have been ordered but nothing received yet, budget slippage therefore required.	<b>26</b>
<b>CREMATORIUM</b> New Cremator and Transfer Cabinet	The contractor has undertaken site surveys but there is doubt that this project will be completed in 2018/19 as the contractor needs to build the product.	<b>21</b>
<b>PARKS AND OPEN SPACES</b> Moor Road Recreation Ground Development	Advised at budget monitoring there may be a some slippage but was unable to identify an amount.	<b>13</b>
<b>AFFORDABLE HOMES GRANT</b> Affordable Homes Grant Funding	Practical completion of the properties is delayed resulting in forecast budget slippage.	<b>100</b>

## APPENDIX E

### Planned Budget Savings

Negative supplementary estimates showing as budget savings for 2018/19 (post revised estimate) of (£157,970) and total savings achieved are in 2018/19 shown below:

<b><i>Corporate and Democratic Services Portfolio</i></b>	<b>£000</b>
Council Tax	
Procurement saving	-8
Council Tax Support Scheme	
Housing Benefit reorganisation	-5
Rent Allowance	
Housing Benefit reorganisation	-11
Commercial Loan Interest	-27
Treasury Management	-99
Zero Based Budget savings	-44
<b>Corporate and Democratic Services Portfolio Total</b>	<b>-194</b>
<b><i>Customer Experience and Improvement Portfolio</i></b>	<b>£000</b>
Customer Services Unit	
Service transformation saving (2018/19 only)	-30
Council Offices	
Restructure savings	-1
Procurement savings	-2
Facilities	
Restructure savings	-1
Application Support	
Procurement outlay producing a £90K saving across 5 years	34
Zero Based Budget savings	-6
<b>Customer Experience and Improvement Portfolio Total</b>	<b>-6</b>

<b><i>Major Projects and Property Portfolio</i></b>	<b>£000</b>
Commercial Property Investment	-530
Procurement savings	-1
Sustainability Initiatives Restructing	-31
Zero Based Budget savings	-5
<b>Major Projects and Property Portfolio Total</b>	<b>-567</b>
<b><i>Operational Services Portfolio</i></b>	<b>£000</b>
Crematorium Change in service delivery	-33
Procurement savings	-8
Zero Based Budget savings	-61
<b>Operational Services Portfolio Total</b>	<b>-102</b>

<b><i>Planning and Economy Portfolio</i></b>	<b>£000</b>
Development Management Pre Application Charges	-11
Procurement savings	-4
Development Management Increase Planning Application income	-100
Zero Based Budget savings	-41
<b>Planning and Economy Portfolio Total</b>	<b>-156</b>

<b>Total Planned Budget Savings</b>	<b>-1025</b>
<b>Total Savings post revised budget</b>	<b>-158</b>
<b>Savings built into revised budget</b>	<b>-867</b>





## Carry Forward requests from 2018/19 budget into 2019/20

Schemes Funded from Revenue					
Service	HoS/CLT	Code	Code Description	Amount (£)	Reason
Financial Services	David Stanley	3106 00040	Audit Support Agency Staff	9,900	Long-term sickness in contract auditors resulted in not all planned audits taking place in 2018/19. Budget needs to be carried forward to enable the audit plan to be completed and allow an audit opinion to be given
Financial Services	David Stanley	3401 30061	Finance Support Consultancy Fees	5,000	Budget to be used to support the Financial System review. The project has been delayed to allow time for the new Executive Head of Finance to assess the position (in the meantime patching is underway and further work will be required on enhancing the system in 2019/20)
ICT, Facilities and Project Services	Nick Harding	3300 30061	IT Management Consultancy	20,000	Budget required to review the financial system. Project delayed to allow time for the new Executive Head of Finance to assess the position (in the meantime patching is underway and further work will be required on enhancing the system in 2019/20)
ICT, Facilities and Project Services	Nick Harding	3300 30987	IT Management R2020	30,000	Budget required for external expertise relating to Rushmoor 2020. Project delayed to allow new Head of Customer Experience and project team to research and assess requirements
Economy, Planning and Strategic Housing	Tim Mills	2613 30060	Planning Policy Conferences and Seminars	1,350	The Planning Policy Team has been nominated at the Planning Awards for the Local Plan. The Awards are to take place in June 2019 and an invoice had been expected to be paid in 2018/19 using a budget saving virement from the Local Plan Preparation code however the invoice will not now be received until 2019/20
Economy, Planning and Strategic Housing	Tim Mills	1413 50066	Economic Development Grants Gulf Stream	10,000	Carry forward required re timing issues as to when training requirements will arise
Economy, Planning and Strategic Housing	Tim Mills	2543 80114	Town Centre Management Other Contributions	4,000	Income from the Shop Watch radio scheme and the letting of space in the town centre to promotional stands. Commitment given when income received that it will be used for activities and work that benefits the town centre
Operational Services	James Duggin	2211 30550	Licensing General Vet Inspection Fee	1,500	Defra has issued new animal welfare legislation which required the Council to contract out animal licensing welfare inspections. The carry forwards provides for the delivery of the contract, to be invoices in 2020
Operational Services	James Duggin	2517 30161	Parks and Open Spaces Maintenance of Trees	10,000	Following inspection, a number of trees within land owned by Rushmoor at Invincible Road were found to be potentially hazardous and require works in order to make safe. These works have been estimated at £10k and a supplementary budget is required for 2019/20 to cover this expense to be funded by underspend from 2018/19 from 2517 or 2552 40013 (Grounds Maintenance Variances)
Democracy, Strategy and Partnerships	Andrew Colver	2531 30326	Town Twinning Twinning Events	2,800	Arrangements for finalising the civic ceremonial events for the three new sister cities/towns have been delayed until 2019/20
Democracy, Strategy and Partnerships	Andrew Colver	1211 30234	Sustainability Initiative Promotions	2,000	The project was only scoped in March 2019 with set up in June. The 2018/19 expenditure will be incurred over the summer
Democracy, Strategy and Partnerships	Andrew Colver	1211 30234	Sustainability Initiative Promotions	1,800	There aren't any events or promotions in January to March when the budget was split. Events start in April to coincide with Easter which was later in 2019/20
Democracy, Strategy and Partnerships	Andrew Colver	1211 30234	Sustainability Initiative Promotions	1,500	Hampshire Biological Information Centre (HBIC) delay in completing work and issuing invoice for green infrastructure Mapping. Seasonal work/delay in plants and shrubs purchasing until weather is finer
Democracy, Strategy and Partnerships	Andrew Colver	1302 30036	Electoral Registration Canvas Fees	21,900	Design and implementation for new Customer account for Elections
Democracy, Strategy and Partnerships	Andrew Colver	1302 30982	Electoral Registration Transfer costs IER	16,600	Design and implementation for new Customer account for Elections (further funding from Earmarked Reserves £15,300)
Democracy, Strategy and Partnerships	Andrew Colver	2508 30560	Cycle Track Feasibility	15,000	The work has been delayed pending an initial options appraisal.
Legal Services	Ian Harrison	1202 30028	Legal Department Support Books and Publications	5,000	Budget needed to vire to temporary staff code for additional work/expansion of estates management and properties management in Regeneration and Property department, meaning more locum services are needed
Legal Services	Ian Harrison	1202 30067	Legal Department Support Counsels' Fees	2,500	Budget needed to vire to temporary staff code for additional work/expansion of estates management and properties management in Regeneration and Property department, meaning more locum services are needed

Regeneration and Property	Paul Brooks	1203 30061	Estates Support Consultancy	2,700	Difficulties in finding temporary and permanent staff to instruct and/or carry out feasibility studies
Regeneration and Property	Paul Brooks	1203 00016	Estates Support Temporary Staff	7,400	Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800)
Regeneration and Property	Paul Brooks	1205 00016	Industrial Estates Temporary Staff	1,480	Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800)
Regeneration and Property	Paul Brooks	1206 00016	Belle Vue Temporary Staff	2,220	Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800)
Regeneration and Property	Paul Brooks	1208 00016	Town Centres Temporary Staff	1,480	Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800)
Regeneration and Property	Paul Brooks	1209 00016	Corporate Properties Temporary Staff	2,220	Delay and difficulties in finding Estates Officer sick cover. Budget vired in Nov 18, but not filled until Feb 19 (TOTAL £14,800)
Regeneration and Property	Paul Brooks	1212 10026	35/39 High Street Aldershot General Repairs and Maintenance	6,000	Delay in appointing temporary building surveyor to assess and instruct possible works needed on properties
Regeneration and Property	Paul Brooks	1206 10026	Belle Vue General Repairs and Maintenance	2,000	Delay in appointing temporary building surveyor to assess and instruct possible works needed on properties
Regeneration and Property	Paul Brooks	1230 30061	168 High Street Guildford Consultancy	4,500	Delays and difficulties with the negotiation of lease terms with new tenant, Pro Cook, and the corresponding agent's fees
Regeneration and Property	Paul Brooks	1232 10026	Optrex Business Park - General Repairs and Maintenance	4,000	Delay in appointing temporary building surveyor to assess and instruct possible works needed on units
Regeneration and Property	Paul Brooks	1235 10026	36-62 Union Street Aldershot Development General Repairs and Maintenance	6,000	Delay in structural surveys for Union Street properties and urgent and essential need to 'make safe' the buildings
Regeneration and Property	Paul Brooks	1100 30911	Aldershot Regeneration Digital Games Hub Consultancy	40,000	The Games Hub is a complex project. Although most costs are likely to be put to capital there will be some costs that will remain revenue
Regeneration and Property	Paul Brooks	2102 30061	Regeneration Consultancy	49,900	Carry forward requested in order to ensure the revenue costs associated with the delivery of the Council's regeneration programme can be met. In particular there are costs in relation to holding the regeneration assets that have not been budgeted for but are connected with statutory compliance and health and safety. This will require a virement from this budget
Customer Experience	Colin Eckworth	1411 30120	Communications Web Support/Development	7,000	New website development is to take place in 2019/20 to facilitate a number of key projects in R2020. Self-service portals and a complete rework of content, branding and forms will need to be done as part of this project. Work in 2018/19 was delayed as the full Programme had yet to be schedules due to recruitment
Human Resources	Karen Edwards	1415 00006	Training	2,600	Funding HR professional qualification. Employee unsuccessful in application for the Leadership Development Programme, it was agreed a professional HR qualification would be more appropriate at this stage in their career and would provide additional professional expertise within the existing team
Human Resources	Karen Edwards	1415 30139	In-house Training	17,500	Management development modules being delayed. The first phase of management development modules were due to begin Autumn 2018 and provision had been made for this in the 2018/19 budget. However the Chief Executive requested these modules were delayed until 2019, both to get input from the new Heads of Services and because of the number of other learning activities and priorities in the organisation at the time. A large proportion of the management modules are now expected to take place in 2019/20 rather than across two financial years as originally intended. Although additional budget has been requested for 2019/20 it is likely the modules will exceed that amount so carrying forward remaining budget fro 2018/19 would help support delivery of the management development programme
<b>TOTAL REVENUE FUNDED SCHEMES</b>				<b>317,850</b>	

Schemes Funded from Other Resources					
Service	HoS/CLT	Code	Code Description	Amount	Reason
<b>Flexible Use of Capital Receipts</b>					
Operational Services	James Duggin	2558 70901	Aldershot Indoor Pool New Leisure Contract Refcus Flex 11	2,720	The original budget was split between 2018/19 and 2019/20. The procurement project is still on-going and the underspend budget from 2018/19 will be required in 2019/20
Operational Services	James Duggin	2559 70901	Aldershot Lido New Leisure Contract Refcus Flex 11	1,360	The original budget was split between 2018/19 and 2019/20. The procurement project is still on-going and the underspend budget from 2018/19 will be required in 2019/20
Operational Services	James Duggin	2560 70901	Farnborough Leisure Centre New Leisure Contract Refcus Flex 11	6,140	The original budget was split between 2018/19 and 2019/20. The procurement project is still on-going and the underspend budget from 2018/19 will be required in 2019/20
ICT, Facilities and Project Services	Nick Harding	3304 70904	IT Technical Services Waste Contract ICT Refcus Flex15	26,000	The waste portal is a significant piece of work being delivered in phases. Some work has been delivered however there are a number still to develop and roll out including: Online self-service portal for – garden waste Online self-service portal for – bulky waste Online self-service portal for – container enquiries Online self-service portal for - grass cutting schedules This project started in Q3 2018/19 and was not envisaged to be fully complete until Summer 2019
Regeneration and Property	Paul Brooks	1101 70900	Housing Delivery Options Housing Set Up Refcus Flex22	17,213	The business case for the housing company approved by cabinet on 5 March 2019. This approved the development of the business plan. The business plan will need the input of the shadow board and therefore is unlikely to be ready for review until the end of May 2019
Customer Experience	Colin Eckworth	1327 70905	Customer Services Unit Customer Hub Flex Refcus20	10,101	On-going scoping in progress
<i>sub-total</i>				<b>63,534</b>	<i>Funded from Flexible use of Capital Receipts</i>

#### Service Improvement Fund

Customer Experience	Colin Eckworth	1327 30941	Customer Services Unit Restructuring Fund	20,000	Part of Report CEX1801 which went to Cabinet 29 May 2018 (para 3.2). This budget is to support the Customer Experience Project ie IESE
Democracy, Strategy and Partnerships	Andrew Colver	1409 30941	Corporate Policy Restructuring Fund	7,201	Ongoing costs for Rushmoor 2020 Organisational Restructure and Transitional Arrangements
<i>sub-total</i>				<b>27,201</b>	<i>Funded from Service Improvement Fund</i>

#### Individual Elector Registration

Democracy, Strategy and Partnerships	Andrew Colver	1302 30982	Electoral Registration Transfer costs IER	15,300	Design and implementation for new Customer account for Elections (further funding from revenue funded schemes £16,600)
<i>sub-total</i>				<b>15,300</b>	

#### Homelessness Initiatives

Environmental Health and Housing	James Duggin	2402 50951	Housing Advice Under Occupancy	1,570	Scheme in place to assist moves with under occupancy
<i>sub-total</i>				<b>1,570</b>	<i>Funded from Homelessness Initiatives Grant</i>

#### A331 Air Quality Project

Environmental Health and Housing	James Duggin	2213 30545	Air Quality (Defra Funded Grant) Feasibility Study	33,320	Defra has imposed air quality improvements on the Council in the quickest possible time. The grant funding provides for this work (including recovery of officer time). This carry forward enables the continuation of this work. The sum includes £5,435 to cover the potential refund of underspent grant to Defra
<i>sub-total</i>				<b>33,320</b>	

<b>TOTAL OTHER FUNDED SCHEMES</b>	<b>140,925</b>
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<b>TOTAL CARRY FORWARDS REQUESTED</b>	<b>458,775</b>
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