

APPENDIX B

GENERAL FUND REVENUE ACCOUNT 2019/20 PRINCIPLE VARIATIONS FROM CURRENT APPROVED BUDGET

Variances identified by service during quarter 4 budget monitoring exercise amounting to a net underspend of £964,500

Corporate and Democratic Services Portfolio - VARIANCES RELATED TO EXPENDITURE BUDGETS			£000
Expenditure			
Corporate Manager Legal Services	Land Charges	Adverse variance due to additional spend on the land search element that Hampshire County Council do. This is due to an increase in volume of searches requested	6,000
	Legal Support	Adverse variances on books and publications due to unpaid invoices in the previous year	5,000
Democracy, Strategy and Partnerships	Electoral Registration	Favourable variance. Outcome of the review of electoral services is now reaching the implementation stage. The re-design work has taken additional time and has now been included in the ICE Programme (the majority of the CARRY FORWARD TO BE REQUESTED will be included in the programme)	(63,500)
	Community Leisure	Reduction in spend in 2019/20 on the cycle track feasibility as the cost is likely to slip into 2020/21 (CARRY FORWARD TO BE REQUESTED)	(15,000)
Financial Services	Rent Allowances	Adverse variance, additional software costs due to changes in scheme government funded	14,000
Human Resources	Support Service	Favourable variance on corporate training (CARRY FORWARD TO BE REQUESTED)	(8,500)
	Support Service	Favourable variance Budget agreed for 2019/20 for management development programme training, now being phased over two years so budget requirement will need to be carried forward (CARRY FORWARD TO BE REQUESTED)	(9,500)
All other expenditure variances CDS Other			(12,200)
Total Expenditure Variances in Corporate and Democratic Services Portfolio			(83,700)

Corporate and Democratic Services Portfolio - VARIANCES RELATED TO INCOME BUDGETS			£000
Income			
Corporate Manager Legal Services	Land Charges	Favourable variance due to additional search income received relating to an increase in volume of searches requested	(12,000)
	Legal Support	Adverse variances on underachievement of Section 106 income due to a reduction in volume and the planned increase in individual fees not coming to fruition as the simplistic nature of the work could no longer justify it	18,000
Financial Services	Rent Allowances	Favourable variance additional central government grant to fund additional software costs	(14,000)
	Rent Allowances	Favourable variance additional central government grant for Verifying Earnings and Pensions (VEP)	(9,000)
All other income variances CDS Other			6,500
Total Income Variances in Corporate and Democratic Services			(10,500)

Total Net Variances in Corporate and Democratic Services Portfolio	(94,200)
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Customer Experience and Improvement Portfolio - VARIANCES RELATED TO EXPENDITURE BUDGETS			£000
Expenditure			
Customer Experience	Communications	Favourable variance due to delays in web development and recruitment	(12,000)
ICT, Facilities and Project Services	IT Management	Cost of 'purchasing' temporary staff from recruitment agencies	10,000
	Application Support	Works not carried out on GIS aerial data due to lack of requirement and staff resourcing. As this is a biennial budget it is likely the works will be carried out in 2020/21 (CARRY FORWARD TO BE REQUESTED)	(7,000)
	Application Support	Slight reduction in spend on application software due to changes in software services provided	(5,000)
	Application Support	Increase in spend on development and technical consultancy. The Council has had difficulty in recruiting IT developer's given the shortage of suitable qualified and experienced IT staff and the proximity of the Council to the competitive London recruitment market £28k	(7,000)
	Service Desk	Increase in spend on temporary staff , additional resource required to cover sickness absence and to raise the level of technical expertise required to support an increasing number of complex system work and to improve delivery. Whilst successfully recruiting a Team Leader, work will be undertaken during 2020/21 to recruit two new permanent members of the team, therefore reducing the need for contract resource	16,000
	Technical Services	Increase in spend on development and technical consultancy. The Council has had difficulty in recruiting IT developer's given the shortage of suitable qualified and experienced IT staff and the proximity of the Council to the competitive London recruitment market £28k	15,000
	Council Offices	Increase in spend on general repairs and maintenance due to installation of electric charging points and soundproofing of interview room	6,500
	Council Offices	Reduction in spend on trade refuse due to fewer offices moves and skip hires	(5,000)
All other expenditure variances CE&I Other			(12,600)
Total Expenditure Variances in Customer Experience and Improvement Portfolio			(1,100)
Customer Experience and Improvement Portfolio - VARIANCES RELATED TO INCOME BUDGETS			£000
Income			
No variance over £5,000 reporting threshold			
All other income variances v CE&I Other			(1,900)
Total Income Variances in Customer Experience and Improvement Portfolio			(1,900)
Total Net Variances in Customer Experience and Improvement Portfolio			(3,000)

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Major Projects and Property Portfolio - Expenditure		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Regeneration, Property and Highways	Aldershot Regeneration Strategy	Favourable variance on service improvement fund as not required	(30,000)
	Estates Support	Favourable variance due to a reduction in Valuation Viability Surveys	(10,000)
	Estates Support	Adverse variance on Valuations due to additional works needed from audit findings	5,000
	Corporate Property Management	Favourable variance due to a reduction in need of a consultant for corporate properties this year	(10,000)
	Rushmoor Properties	Favourable variance on responsive repairs and maintenance. CARRY FORWARD TO BE REQUESTED	(90,000)
	Rushmoor Properties	Favourable variance on lease renewals due to difficulties employing staff to instruct conditions' surveys and manage lease work	(5,000)
	Rushmoor Properties	Adverse variance on consultancy fees due to under estimation of portfolio assessments and management fees for external consultant	52,000
	168 High Street, Guildford	Favourable variance on commission, consultancy fees and management fees due to a reduction in use of this property	(13,500)
	36-62 Union Street, Aldershot	Favourable variance on repairs and maintenance due to delays in regeneration relates works ahead of demolition. CARRY FORWARD WILL BE REQUESTED	(20,000)
	Optrex Business Park	Favourable variance for service charges expenditure	(5,000)
	Optrex Business Park	Favourable variance on business rates due to a higher than expected occupancy levels	(6,000)
	Voyager House, Southwood	Adverse variance for miscellaneous expenses	18,000
	Voyager House, Southwood	Adverse variances for agents fees relating to expenses incurred on the property due to the delay in transferral to the Clinical Commission Group	13,000
	Frimley 4 Business Park	Adverse variance due to repayment to previous owner of rent top-up due to the previous vacant unit being filled	44,000
	Trafalgar House, Winchester	Favourable variance for unused valuation and survey budgets requested in the Cabinet acquisition report	(11,000)
	Farnborough Regeneration Strategy	Favourable variance on service improvement fund as not required	(30,000)
	Community Maintenance Team	Additional spend in year due to the purchase of a new vehicle (and plough) to replace a previous vehicle that had come to the end of its lease period. The cost of this vehicle will be capitalised as part of the year end accounting process. The future years revenue budget for leased vehicle costs will be reduced accordingly	22,000
	Marks and Car Boot Sales	Reduction in spend on trade refuse costs	(5,000)
	Other Highways	Reduction in spend on weeds and basal growth around highway tree bases	(13,000)
All other expenditure variances MPP Other			(14,400)
Total Expenditure Variances in Major Projects and Property Portfolio			(108,900)

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Major Projects and Property Portfolio - Income		VARIANCES RELATED TO INCOME BUDGETS	£000
Regeneration, Property and Highways	Management	Adverse variance due to a reduction in Valuation Viability Surveys and the associated income	7,000
	Belle Vue Enterprise Centre	Net improvement to date in rental income as leases have been renewed. Not all renewals have been completed due to legal difficulties in negotiations.	(85,000)
	35/39 High Street, Aldershot	Underachievement of rent and service charge due to problems with rent relief and re-establishing the lease terms	10,000
	168 High Street, Guildford	Favourable variance due to back payments of service charges from tenants covering the previous three years	(11,000)
	Wellesley House, 10 Eelmoor Road, Farnborough	Adverse variance for rental income due to first floor vacancy	30,000
	Optrex Business Park	Adverse variance for rental income due to loans to Wellesley House service charge account	15,000
	Ashbourne House, Guildford	Adverse variance for rental income due to missing rent from the acquisition statement on completion on purchase	70,000
	Community Maintenance Team	Increased income following the recharge to other internal departments for adhoc use of the maintenance service	(18,500)
	Other Highway Services	Reduction in engineering fee income due to staff working on internal capital projects	29,100
	Other Highway Services	Internal credit relating to the recharge of staff costs to capital projects	(11,000)
	Other Highway Services	Net additional income from temporary traffic regulation order adverts	(7,300)
All other income variances v MPP Other			(10,500)
Total Income Variances in Major Projects and Property Portfolio			17,800
Total Net Variances in Major Projects and Property Portfolio			(91,100)

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Variations identified by service during quarter 4 budget monitoring exercise amounting to a net underspend of £964,500

Operational Services Portfolio - Expenditure		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Operations	Health and Safety	Reduction in spend on business continuity in 2019/20 as the cost will slip into 2020/21 (CARRY FORWARD TO BE REQUESTED)	0
	Integrated CCTV	Additional spend on CCTV feasibility project	16,000
	Integrated CCTV	Reduction in spend on equipment maintenance however as the Council is currently on a Pay As You Go contract for equipment maintenance this underspend may fluctuate before the end of the financial year	(7,600)
	Housing Advice	Favourable variance on software costs funded by earmarked reserve, delays due to procurement exercise not having been completed (CARRY FORWARD TO BE REQUESTED)	(9,000)
	Housing Advice	Favourable variance on grant for North Lane Lodge funded by earmarked reserve, delays in Service Level Agreement being signed (CARRY FORWARD TO BE REQUESTED)	(20,000)
	Housing Advice	Favourable variance relating to ring fenced grant received from Trailblazers prevention fund to be used for portable roaming devices for officers, linked to procurement exercise for new software (CARRY FORWARD TO BE REQUESTED)	(18,500)
	Parks and Recreation Grounds	Additional spend on utility costs	5,500
	Parks and Recreation Grounds	Additional spend on repairs and maintenance	14,000
	Parks and Recreation Grounds	Additional spend on suitable projects that developers contributions have been collected for	21,400
	Parks and Recreation Grounds	Additional spend on Rowhill nature Reserve SANG projects funded by developers contributions held in the earmarked reserves	5,900
	Car Parks	Additional spend on the littering and dog fouling contract as the scheme has been extended to the end of this financial year (offset by Fixed Penalty Notice income)	65,600
	Car Parks	Additional spend on leisure centre user rebates	7,700
	Car Parks	Reduction in spend on lift maintenance	(6,000)
	Car Parks	Reduction in spend on lighting repairs	(5,000)
	Car Parks	Reduction in spend on other supplies and services	(5,700)
	Parking Management	Reduction in spend on gantry barriers	(7,800)
	Crematorium	Reduction in spend on utility costs	(13,000)
	Grounds Maintenance Contract	Reduction in spend of grounds maintenance non routine works	(10,000)
	Recycling	Reduction in spend on contractor payment	(5,000)
	Street Cleansing	Reduction in spend on the specialist cleaning budget as the Council has not had any works to carry out to date in 2019/20	(10,000)
	Street Cleansing	Reduction in spend on fly tipping costs	(24,000)
	Aldershot Indoor Pools / Leisure Centre	Increase in spend on consultancy costs	12,000
	Aldershot Indoor Pools / Lido / Farnborough Leisure Centre	Reduction in spend in 2019/20 as the leisure contract procurement budget will slip into 2020/21 (CARRY FORWARD TO BE REQUESTED)	(50,000)
	Southwood Golf Course	Reduction in spend on Non Domestic Rates following a change from golf course to SANG land	(7,000)
	Farnborough Community Centre	Additional spend on Non Domestic Rates bills as the Council are responsible for this cost now that the building is empty (the Regeneration Team is contacting the Valuation Office to review the building's business rates status)	18,600
	Beaumont Guard Rooms	Additional spend on repairs and maintenance	7,000
All other expenditure varianc OPS Other			(200)
Total Expenditure Variances in Operational Services Portfolio			(25,100)

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Operational Services Portfolio - Income		VARIANCES RELATED TO INCOME BUDGETS	£000
Operations	Pollution and Environmental Control	Additional grant income received in 2019/20 on the A331 Air Quality project. The grant is to be spent annually over the next 4 - 5 years on the monitoring and evaluation, the balance of funds held at the end of the 2019/20 financial year will be transferred to an earmarked reserve to fund the remaining years of the project	(58,000)
	Parks and Recreation Grounds	Additional income from developers contributions being used to fund the additional spend on projects	(21,400)
	Parks and Recreation Parks and Recreation	Developers income received for Southwood Woodlands SANG * Developers income received for Rowhill SANG *	(35,500) (433,400)
		* These SANG receipts will be transferred to the SANG earmarked reserve from the general fund at year end	
	Car Parks	Additional Fixed Penalty Notice income as the littering and dog fouling contract has been extended to the end of this financial year (offset by additional expenditure)	(70,800)
	Car Parks	Shortfall in penalty charge notices (fines) income due to vacant Civil Enforcement Officer posts	19,400
	Parking Management	Additional pay and display income	(18,400)
	Parking Management	Shortfall in penalty charge notices (fines) income due to vacant Civil Enforcement Officer posts	13,500
	Cemeteries	Additional grave sales income	(5,000)
	Cemeteries	Additional interment fees income	(5,000)
	Crematorium	Reduction in cremation fee income	78,200
	Crematorium	Net reduction in memorial fee income	20,500
	Recycling	Additional glass sales income	(6,500)
	Recycling	Additional green waste sales income	(7,000)
	Blunden Hall	Shortfall in fees and charges income	5,100
All other income variances v OPS Other			(1,200)
Total Income Variances in Operational Services Portfolio			(525,500)
Total Net Variances in Operational Services Portfolio			(550,600)

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Planning and Economy Portfolio - Expenditure		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Economic, Planning and Strategic Housing	Princes Hall	Additional spend on casual staffing (offset by a reduction in spend on direct salaries)	24,000
	Princes Hall	Additional spend on general repairs and maintenance	12,000
	Princes Hall	Additional spend on publicity and advertising	8,000
	Princes Hall	Additional spend on the booking system	7,000
	Princes Hall	Additional spend on other supplies and services	6,000
	Town Centre (part)	Reduction in spend on marketing and promotions on town centre events (CARRY FORWARD TO BE REQUESTED)	(10,000)
	Development Control	Adverse variance relating to the Esso Pipeline consultancy. No budget exists for this cost however it was indicated at Council late last year as a priority in terms of the Council being robust in its response to the planning consultation. This shows the current committed spend and estimate of forecast spend	26,400
	Planning Policy	Adverse variance on consultancy. Expenditure is required as part of the Special Protection Areas (SPA) Project and delegated authority was approved at Cabinet on 5 February 2019 for the Head of Economy, Planning and Strategic Housing to approve future expenditure and report through the budget monitoring process. This is to be funded from the Planning Delivery Fund Income earmarked reserve and a corresponding variance will be reported on earmarked reserves	6,000
All other expenditure variances P&E Other			(2,400)
Total Expenditure Variances in Planning and Economy Portfolio			77,000
Planning and Economy Portfolio - Income		VARIANCES RELATED TO INCOME BUDGETS	£000
Economic, Planning and Strategic Housing	Princes Hall	Additional income from lettings	(45,000)
	Princes Hall	Net favourable variance on Vibe discos	(6,000)
	Princes Hall	Additional sponsorship income	(5,500)
	Princes Hall	Shortfall in income from other shows ticket sales	20,000
	Town Centre (part)	Contributions received in year (CARRY FORWARD TO BE REQUESTED)	(10,000)
	Development Control	Adverse variance on Pre-Application Charges due to a reduction in the volume of applications in 2019/20	5,700
	Economic Development	favourable variance of £100k due to delays re Economic Grant for Gulfstream. Gulfstream are still working through identifying the relocation of staff from Luton. It was anticipated that this process would be completed earlier. Gulfstream are aiming to be fully deployed during 2020/21 so Carry forward requested	(100,000)
All other income variances P&E Other			(1,000)
Total Income Variances in Planning and Economy Portfolio			(141,800)
Total Net Variances in Planning and Economy Portfolio			(64,800)

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ICE Programme Portfolio - Expenditure		VARIANCES RELATED TO EXPENDITURE BUDGETS	£000
Executive Directors	ICE Programme	Prespend of 2020/21 budget for topographical surveys at Princes Hall and the Council Offices	12,200
	ICE Programme	Reductions in spend across Workstream 0	(67,000)
	ICE Programme	Reductions in spend across Workstream 1	(54,000)
	ICE Programme	Reductions in spend across Workstream 2	(53,000)
	ICE Programme	Reductions in spend across Workstream 3	(30,000)
	ICE Programme	Reductions in spend across Workstream 4	(30,000)
	ICE Programme	Increase in spend relating to programme management due to extension of scope for work on Regeneration Programme Management and Performance Management along with an extension of contract to June 2020	20,000
	ICE Programme	Increase in spend relating to cloud, infrastructure and security strategy	41,000
All other expenditure variances within portfolio			0
Total Expenditure Variances in ICE Programme Portfolio			(160,800)
ICE Programme Portfolio - Income		VARIANCES RELATED TO INCOME BUDGETS	£000
No income codes			
All other income variances within portfolio			0
Total Income Variances in Planning and Economy Portfolio			0
Total Net Variances in Planning and Economy Portfolio			(160,800)
Net portfolio Expenditure Variances			(302,600)
Net Portfolio Income Variances			(661,900)
Net Portfolio Variances			(964,500)
Additional Information		Earmarked Reserves	803,000
		Net Portfolio Variances excluding Earmarked Reserves	(161,500)
The net Portfolio expenditure variance figure shown above includes carry forwards requests			(431,000)
(Carry forwards funded from Earmarked Reserves)			(44,300)
(Carry forwards not funded from Earmarked Reserves)			(475,300)