

S&R Committee - 13th June 2019 - Appendix A to agenda Item 5

REVENUE BUDGET NARRATIVE FOR KEY VARIANCES	Annual Budget 2018/19	Forecast Variance at year end (Sept)	Forecast Variance at year end (Jan)	Provisional Outturn Variance at year end (Mar)	Narrative
Strategy and Resources					
Salaries	4,031,280	(34,480)	(29,400)	(12,900)	Forecast underspend due to vacancies and Customer First transition
Additional New Homes Bonus	(999,200)	(26,000)	(26,000)	(26,000)	Additional NHB Allocated above budget
Additional Property Investment Income	0	0	(71,200)	(118,000)	Rental Income from Linden House
Regeneration of Caterham - Consultancy Fees	0	35,000	35,000	32,000	Required costs for Regeneration Caterham consultancy
HR Advertising Costs	8,500	26,500	26,500	11,800	Recruitment for lead specialists and cover for customer first posts
Legal Expenses	500	16,000	16,000	14,100	Leisure partnership agreement legal costs, will be offset by interest on loan
Council Tax Empty Home Review	4,700	26,000	26,000	26,000	Costs incurred on review of empty properties, Should result in additional council tax income in future years
Increase in Bad Debt Provision	25,600			54,700	Due to a larger debtor balance at year end than expected
Additional Business Rates income from Pilot				(600,000)	Additional Pilot income for Business Rates
Other net items - including technical changes from grants at year end	(990,600)	(9,800)	(75,600)	(38,680)	
Strategy and Resources Sub Total	2,080,780	33,220	(98,700)	(656,980)	
Corporate Items/ Reserves					
Investment income	(847,600)	(116,800)	(123,100)	(116,000)	Investment income is greater than budget, this is primarily due to loans to the leisure partnership
Business Rate income transferred to reserves				500,000	Business Rate income transferred to reserves
Other net items (including grant changes for S151)	(24,600)			(122,940)	Mainly Section 131 Grant - for Business Rates
Corporate Items / Reserves Total	(872,200)	(116,800)	(123,100)	261,060	
Strategy and Resources Total	1,208,580	(83,580)	(221,800)	(395,920)	
Community Services					
Salaries	2,138,700	(23,000)	(51,300)	(22,690)	Mainly Operational Services (TCS) - vacant posts
De Staffords Lease	(33,000)	33,000	33,000	34,800	Due to the Freedom Leisure / TDC deal being completed in April 18, part of the agreement was that TDC would no longer receive any lease income from De Staffords School
Parking Permit Income	(26,700)		(8,300)	(15,600)	The budget was based on 6 months but now based on 12 months
Car Parking Income	(129,200)		2,600	5,400	Income now forecast for the full year - still nearly on target
Food, Recycling and Waste Costs	2,483,000		(69,100)	(54,400)	Improved position reflecting the latest tonnages for recycling and waste
Income from clothes banks	(29,300)		(11,700)	(9,500)	£/tonne has increases since budget setting
Out of Hours	18,500		(18,500)	0	This expenditure is now accounted for within salaries
Unauthorised Encampments	0		20,000	17,800	Increase in prevention costs for travellers
TCS	(823,200)		78,000	85,300	Reduced work chargeable to the HRA
Other net items	2,141,200	13,200	70,500	11,510	
Community Services Total	5,740,000	23,200	45,200	52,620	
Housing General Fund					
Salaries	1,003,400	47,600	46,100	33,200	Staff vacancies in Housing GF filled by agency staff.
Other Government Grants	(123,500)	(12,500)	(12,500)	(71,700)	Additional grant received for Homelessness Reduction Act work
Use of Reserves	(14,000)	(15,000)	(15,000)	(14,000)	Additional post funded from homelessness reserve
Community Alarms Income	(229,000)		17,000	14,300	Reduced income reported to Committee in Nov P6
Douglas Brunton Centre - Repairs	7,500		12,500	7,800	Rewiring Electrical repairs reported to Committee in Nov P6
Apetito Meals - Sales	(44,700)		10,000	(1,200)	
Other net items	367,900	39,700	13,100	24,370	Including changes for Universal Credit and Self Build register
Housing General Fund Total	967,600	59,800	71,200	(7,230)	
Planning Policy					
Salaries	1,455,120	203,530	304,200	351,000	Staff vacancies in Planning & Enforcement filled by agency staff until customer first is completed.
Counsels Fees	26,100	23,900	(23,100)	(24,000)	Johnsdale Car Park judicial review - Recovery of Legal fees & general underspend in budget
Legal Expenses	100	12,900	13,900	13,500	Costs awarded against the Council for 10 Granville Rd plus costs for initial part of work done on the JR on the gas holder.
Consultancy Fees	2,800	57,200	57,200	46,000	Cost of Traveller Site consultation and Terraquest outsourcing for validation
Planning Fees	(584,600)	0	(65,400)	(105,200)	Over recovery of income due to fees for Church Walk Caterham application.
Pre App Fees	(63,800)	15,800	23,800	17,300	Income target not achieved
CIL Receipts	(829,700)	5,000	0	0	
Counsels Fees - Enforcement	15,700		(15,700)	(15,700)	No spend on counsels fees for 18/19
Formal Member Presentations	(12,500)	12,500	12,500	12,500	Income target not achieved due to lack of developer requests
Other net items	2,041,500	(10,423)	(14,000)	(8,690)	
Planning Policy Total	2,050,720	320,407	293,400	286,710	
Local Plan	15,000	347,350	253,700	17,000	Local Plan temp staff and advertising costs
Funding from Reserves		(347,350)	(253,700)	(17,000)	
General Fund Total	9,981,900	319,827	188,000	(63,820)	Forecast Overspend / (Underspend)