



**Basingstoke
and Deane**

Revenue and Capital Monitoring as at 31st December 2018

Cllr. Tate, Cabinet Member for Finance, Service Delivery and Improvement

Report to	Cabinet
Ward(s):	All
Key Decision:	No
Appendix 1:	Summary of Revenue Budget Variances
Appendix 2:	Revenue Budget Summary by Portfolio
Appendix 3:	Portfolio Monitoring Reports (Revenue)
Appendix 4:	Capital Programme Summary by Portfolio
Appendix 5:	Portfolio Monitoring Reports (Capital)

Papers relied on: NONE

Foreword - Cabinet Member for Finance, Service Delivery and Improvement

The third quarter Revenue and Capital Monitoring continues to indicate robust financial oversight by all management. The revenue expenditure reductions are highlighted in the executive summary but I am pleased to note that the savings listed in Appendix 1 indicate positive actions to ensure savings hit the target required. This attitude will continue to be extremely important in coming periods and is to be both commended and encouraged.

Transfers to reserves wherever and whenever possible will be necessary as we continue to develop the capital programmes.

It is recommended that Cabinet:

Notes that:

1. Forecast net revenue expenditure on services in 2018/19, before transfers to reserves, is forecast to be £678,600 lower than the latest budget i.e. after removing carry forwards agreed in the 2019/20 budget report.
2. Forecast capital expenditure in 2018/19 is £81,000 lower than the latest budget and the treatment of any final variation will be decided in the Revenue and Capital Outturn Report to Cabinet in June.

Approves the following contributions to reserves, subject to a maximum of £500,000 for each item as set out in financial regulations:

1. The additional budget carry forwards of £72,000 as outlined in section 4.
2. A transfer of any outturn surplus relating to additional rent income (currently forecast to be £88,500) to the Rent Risk Reserve in accordance with financial policies.
3. A transfer of any outturn surplus relating to interest income (currently forecast to be £89,000) to the Interest Risk Reserve in accordance with financial policies.
4. A transfer of unspent strategic budget for Basing View (currently forecast to be £118,000) to the Basing View Revenue Reserve.

Recommends Council to Approve:

5. A transfer of budget of £680,000 for Manydown project costs from capital to revenue, to ensure that the accounting treatment of Manydown project costs in accordance with the accounting code of practice.
6. That any revenue outturn surplus or deficit that remains after transfers to reserves, currently forecast to be a surplus of £311,100, will be transferred to the Stability and Resilience Reserve, in accordance with financial policies

Background, corporate objectives and priorities

In accordance with the council's Financial Procedures the Chief Financial Officer has a responsibility for providing financial information and reporting on the overall budget position. To provide assurances that the council's budgets are well managed, regular budget monitoring is undertaken and variances and required actions reported.

This report provides revenue and capital forecasts and explanations which have been discussed and agreed with budget managers and portfolio holders and accords

with the council’s Policy and Budget Framework and supports the development of an effective and efficient council.

The council is required under the Accounts and Audit Regulations 2015 to close its accounts by the 31st of May (published accounts by 30th June). As part of the closing requirements decisions on the contributions to or from reserves need to be made as soon as the final revenue surpluses/deficits are known.

The Cabinet meeting in March 2019 is the last opportunity to approve reserve movements before the statutory closure of the accounts. This monitoring report will therefore seek to obtain approval in principle for contributions to and from reserves that arise from under/over performance of the revenue budget in 2018/19.

The council has an excellent record in terms of the timeliness of closing the accounts and approval in principle at the quarter 3 monitoring report stage helps the council to maintain this good record and enable it to meet the statutory requirements and deadlines.

Glossary of terms

Term	Definition

Main considerations

1 Executive summary

- 1.1 This report presents the forecast, as at the 31st December, for revenue and capital expenditure and income up to the end of the financial year and compares it with the budget. The report also identifies risks and issues which could have significant financial impacts.
- 1.2 The revenue forecast, as at 31st December is that net expenditure on services will be £678,600 below budget (after allowing for carry forwards included in the 2019/20 budget report).
- 1.3 The forecast net revenue expenditure variance of £678,600 is due to a combination of expenditure variances of -£846,000 (-0.62% of expenditure budgets) and net income variances of £167,400 (-0.13% of income budgets).
- 1.4 The main reasons for the revenue expenditure variations relate to Basing View (£118,000), ongoing work on a new private sector leasing scheme (£162,400) and reduced vacant unit costs in The Malls (£117,100).
- 1.5 The largest additional income forecasts are in respect of extra income from housing benefit subsidy (£152,100), interest income from treasury management investments (£89,000) and rental income from The Malls (£88,500).

- 1.6 In accordance with the council's financial policies, additional rent and investment income will be transferred to the appropriate risk reserves.
- 1.7 In addition, savings on the strategic budget for Basing View are recommended to be transferred to earmarked revenue reserves to fund future work on these projects. There are also proposed carry forwards of £72,000 for forecast underspends which are in addition to those already agreed as part of the 2019/20 budget report.
- 1.8 The capital forecast, as at 31st December, is that expenditure will be £17.142 million which is £81,000 lower than the proposed budget of £17.224 million. For the purposes of this forecast the latest budget is the re-phased capital programme agreed as part of the 2019/20 budget report.

2 Revenue Forecast

- 2.1 The forecast as at 31st December is that the net cost of services will be £678,600 under budget in 2018/19.
- 2.2 Details of the individual variances are shown in Appendix 1 and are summarised in Table 1.

Table 1 – Summary of Forecast Revenue Variations

	Outturn Variation £
Reduced income	507,200
Savings	(972,900)
Additional Income	(339,800)
Net Additional expenditure	126,900
Total net cost of Revenue Services (Appendix 1)	(678,600)

- 2.3 The main savings are in respect of Basing View, ongoing works to provide a new private sector leasing scheme, efficiency and timing savings in elections and reduced vacant unit costs in The Malls.
- 2.4 The main reasons for additional expenditure include additional costs incurred in delivering the B-Love festival and additional business rates expenditure for council offices.
- 2.5 The main sources of additional income are in respect of additional housing benefit subsidy (£152,100), interest and investment income (£89,000) and additional rental income from The Malls (£88,500).
- 2.6 The income shortfalls relate to reduced planning income (£275,800), a reduction in hackney carriage and private hire income (£63,800) and reduced car park admissions income (£50,200).
- 2.7 Detailed analysis of the revenue forecast by portfolio, including explanations for the variances, is shown in Appendices 2 and 3.

3 Proposed Allocation of Forecast Savings

- 3.1 This report seeks prior agreement for the treatment of outturn surpluses and these are summarised in table 2 with further information in sections 4 to 7.

Table 2 – Proposed allocation of forecast savings

Forecast Surplus as at 31 March 2019	(678,600)
Proposed transfers to/(from) reserves:	
To Carry Forward Reserve	72,000
To Rent Risk Reserve	88,500
To Interest Risk Reserve (Financial Policy)	89,000
To Basing View Revenue Reserve	118,000
To Stability and Resilience Reserve	311,100
Total transferred to reserves	678,600
Un-allocated surplus/deficit	0

4 Carry Forwards

- 4.1 It is requested that forecast savings of £72,000 are carried forward into 2019/20. These have been forecast recently and are in addition to those included in the 2019/20 budget report.

Housing - Staffing - £15,100

- 4.2 In March 2018, SLT approved two temporary resettlement officer posts in Housing for a period of two years each, to provide support for new duties which came into effect on 1 April 2018. The staffing request was for one post to be filled immediately, with the second post proposed to be filled no earlier than September 2018 pending changes to the Housing Reduction Act. The impact of the new legislation has now been evaluated and the need for additional service support will be required from March 2019, with recruitment processes to commence from January. It is anticipated that this post will be filled at the end of February 2019, and therefore a carry forward request of £15,100 is made to 2020/21 to provide funding to the end of this fixed term post.

Town Centre Programme – Enterprise Hub - £36,900

- 4.3 Funding of £83,000 was released from reserves to fund the creation of the enterprise hub at the top of town. As this is a fundamental element in revitalising the Top of Town as well as encouraging small business start-up advice and assistance, further exploratory work was required to ensure that the launch was successful. Therefore, the budget has been reforecast to reflect different timescales and £36,900 of this budget will be required in 2019/20, as part of this three year innovative initiative.

Winklebury Regeneration Masterplanning – £20,000

- 4.4 Work is underway with partners to develop appropriate financially deliverable options for consultation with key stakeholders in Winklebury. The planning has been extensive and a number of factors have impacted on the progress of this project. The 2018/19 budget includes £25,000 for this work and the proposal is to carry forward £20,000 to enable the necessary planning, design and consultation works to be delivered.

5 Rent Risk Reserve

- 5.1 The council's financial policy is that any surplus rent income should be transferred to the rent risk reserve, up to a maximum of previously drawn amounts.
- 5.2 There is forecast to be £88,500 of additional interest income that will be transferred to the Rent Risk Reserve

6 Interest Risk Reserve

- 6.1 The council's financial policy is that any surplus investment income is transferred to the Interest Risk Reserve.
- 6.2 There is forecast to be £89,000 of additional interest income that will be transferred to the Interest Risk Reserve.

7 Basing View Revenue Reserve

- 7.1 The strategic budget for scoping new projects at Basing View is likely to be underspent by up to £118,000 in this financial year. It is proposed to transfer any remaining budget into the Basing View Revenue Reserve and for future Basing View projects.

8 Manydown Budget Transfer from Capital to Revenue

- 8.1 At the time of setting the 2018/19 budget for the Manydown project it was anticipated that as the project progressed £680,000 of staff costs would be charged to the capital budget. As the scheme has not yet progressed past the planning stage, the staff costs need to be shown as revenue rather than capital expenditure. An accounting adjustment is therefore required to switch the budget from capital to revenue. The impact on revenue, capital and reserves is neutral but under financial regulations council approval is required to move budget from capital to revenue.

9 On-going Implications of Budget Variances

- 9.1 It is important to assess the implications for future years of variations identified in this budget monitoring report. The net effect of the forecast variances on future years, other than those already included in the budget strategy for 2019/20 to 2022/23, will be considered as a part of the Revenue and Capital outturn review.

10 Main Revenue Risk Areas

- 10.1 Whilst every effort is made to identify any budget savings or underspends, there are a range of factors which could lead to the final position being different to the forecasts provided in this report. This section identifies services that have been identified as having the highest risk of varying from forecasts, along with the reasoning why.

Planning Income

- 10.2 Income from planning applications being forecast to be £323,100 below the £1,273,100 budget at £950,000. Due to a 20% increase in government set planning fees, this is still £3,500 higher than last year. However, the number of higher value (over £10,000) applications is lower than allowed for in the budget plan, to date only nine applications have been received whereas 20 were received in the previous financial year. The level of lower value applications remains constant (and these are the overwhelming majority of all applications). The higher value applications are mainly allocated sites in local and neighbourhood plans so planning applications will be submitted for them but it would appear that developers are in some cases delaying submissions
- 10.1 The process of accurate forecasting of planning fee income remains difficult due to the large number and timing major planning applications being received. In order to produce the forecast an analysis has been carried out of actual receipts to date. Up to the end of November 2018 the council had received £470,600 of which 40% (£188,300) was from 9 applications of between £10,000 and £46,300. In 2017/18, there were 20 applications ranging from £10,800 to £40,300 (£449,900) for the whole year. Whilst there is still a significant amount of income to receive to reach our latest forecast, a number of sites have been identified that can be reasonably expected to apply for reserve matters, before their outline permission expires.
- 10.2 The difficulty in accurately predicting the income is based on there being significant variables in developer's approach to phasing of large sites and whether applications are submitted in outline (with subsequent reserved matters applications) or full. However, from the information available it is anticipated that a number of larger applications will come through either in the second half of the year or in 2019/20 and this is supported by a review of applications which have been made for pre-planning advice on larger schemes and where follow up planning applications are expected or where reserve matter applications are expected following the granting of outline planning permission, prior to expiry, and this shortfall of income is not expected to continue. There is a risk however, that income for the year may be below the current forecast, and this will be monitored on an ongoing basis. Any reduction in income is expected to be one-off. However, should there be an ongoing reduction in income then officers would be required to identify expenditure savings within the planning service to mitigate the impact of the income reduction on the Medium Term Financial Strategy.

Business Unit - Employee Savings

- 10.3 Current forecasts allow for staffing and other savings of £168,200 in the final quarter. This is based upon past trends but there is a risk that actuals will differ from forecasts as the year progresses

Business Rates

- 10.4 Although the gross amount of income and expenditure on business rates is extremely large and volatile the immediate impact that in-year variance will have on the revenue budget are minimal and are mitigated by transfers to and from the Business Rates Risk Reserve.

Property Rental Income

- 10.5 The current forecast reflects the impact of current occupancy levels continuing for the remainder of this financial year and includes the outcome of agreed rent reviews. It also includes the estimated impact of approximately 80 leases across the portfolio that are due for renewal or subject to a rent review. The outcome of the negotiations on most cases may have a minimal impact on forecasts. However there are a small number of cases where agreement is still to be reached on backdated rents, if these are not agreed in line with current forecasts there could be a reduction in income of up to £149,000.
- 10.6 The forecast also includes the part year effect of additional ongoing rent of £1.1 million per annum following the acquisition of four properties under the council's property investment strategy. If further properties are acquired in this financial year this could result in additional income, although this risk reduces as we approach the year end.

11 Capital Forecast

- 11.1 As shown in Appendix 4, forecast capital expenditure for the year is £17.142 million. This is £81,000 lower than the proposed budget of £17.224 million (excluding capital provisions).
- 11.2 For the purposes of this forecast the latest budget is the re-phased budget for 2018/19 proposed as part of the budget report for 2019/20.
- 11.3 Detailed analysis by Portfolio can be seen in Appendix 5.

12 Capital – Risks to Forecasts

- 12.1 Whilst every effort is made to identify any budget savings or underspends there are a range of factors which could lead to the final position being different to the forecasts provided in this report. The following section identifies schemes that have been identified as having the highest risk of varying from forecasts, along with the reasoning why.

AMP Works

- 12.2 Of the 13 planned projects for this financial year, seven have been completed at a total cost of £487,000. Of the remaining six projects, two (the replacement and upgrade of roller shutter doors at Wade Road Depot's workshop and replacement of conservatories at Tadley Community Centre) are now at risk of being delayed until 2020/21 due to the impact of other works at the sites and so a variance of £130,000 is being reported. However, this is partially offset by a forecast of £90,000 for completion of essential roof works at Haymarket Theatre. There is some risk to the Haymarket spend as tenders are due to be received early in 2019 and a contractor appointed.

Chineham House

- 12.3 The proposed budget was based on the estimated payment schedule. This has now been revised and payments totalling of £114,000 are estimated this financial year. There is still risk to this as when tenders are received in January a more detailed cash flow will be produced by the contractor.

13 Capital Receipts

- 13.1 Capital receipts are monitored and reviewed monthly. The forecast for capital receipts to be received during 2018/19 is £10,233,000 and are summarised in Table 3.

Table 3 – Capital receipts

	Budgeted 2018/19 £'000	Forecast 2018/19 £'000	Actual Rec'd to 31 Dec 2018 £'000
Disposal of Assets:			
Basing View - Plot W Hotel Site	2,750	2,750	2,750
Basing View - Plot K Eli Lilly	8,000	7,110	7,110
Operational Vehicles	20	57	47
Capital Loan Repayment:	316	316	150
Total Forecast Capital Receipts	11,086	10,233	10,057

- 13.2 The capital receipts generated above will be used to fund the existing capital programme. The council's capital financing forecasts assumed £11.086 million of capital receipts in 2018/19. The overall receipt from Basing View Plot K is £8 million, but £890,000 will now be held as revenue rental income received in advance.

Corporate implications

14 Legal implications

14.1 There are no legal implications arising from this report.

15 Financial implications

15.1 The financial implications are identified throughout this report.

16 Risk management

16.1 A risk assessment has been completed in accordance with the council's risk management process and has identified no significant (Red or Amber) residual risks that cannot be fully minimised by existing or planned controls or additional procedures.

17 Equalities implications

17.1 There are no equalities implications.

18 Consultation and communication

18.1 There is no requirement for consultation on this report.

19 HR implication

19.1 There are no HR implications arising from this report.

20 Conclusions and Summary

20.1 The majority of this report is for information only, however the forecast revenue position does require approval of transfers to and from reserves.

20.2 In accordance with the council's financial regulations Cabinet approval is required for reserve movements and carry forward requests up to £500,000, for amounts exceeding £500,000 Council approval is required.

21 Options Considered and Rejected

21.1 If the transfers to and from reserves are not approved this could lead to a forecast deficit in the current year that would need to be funded.

Date: 5th March 2019
Decision taken by: Cabinet

Lead officer	Head of Financial Services - Phillip Hood - Tel: 01256 845660 or e-mail Phillip.hood@basingstoke.gov.uk
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Report author	Principal Accountant & Team Leader (Services) – Paul Mahoney – Tel: 01256 845506 or e-mail Paul.Mahoney@basingstoke.gov.uk
Version	Cabinet Final
Dated	19 th February 2019
Status	Open
Confidentiality	It is considered that information contained within this report and appendices do not contain exempt information under the meaning of Schedule 12A of the Local Government Act 1972, as amended, and therefore can be made public.

Appendix 1

Reasons for Revenue Variances 2018/19		
Type of Variance and Brief Description	Latest Forecast Variation	
	£	Ref
Reduced Income		
Reduction in planning income	275,800	
Car parking - reduced admissions income	50,200	
Hackney carriage - migration from 1 year to 3 year licences and a reduction in licence renewals	63,800	
Events and Public Entertainment - reduction in income due to lower than anticipated ticket sales	32,400	
Reduced income from mobile home sales	30,000	
Other minor net reduced income (< £20,000)	55,000	
Sub-total	507,200	
Savings		
Strategic Budgets -		
- Basing View	(118,000)	3
- Waste Contract Provision (not required: increased spend funded from one-off income)	(49,000)	
- Town Centre Programme	(42,000)	
Delays to the ongoing works on new private sector housing scheme	(162,400)	
Savings on postage and printing for the IER and efficiencies identified from local elections re staff and polling stations	(161,300)	
Reduction in vacant unit costs at The Malls due to higher occupancy levels than allowed for in the budget plan.	(117,100)	
Savings in respect of the retendered Leisure Management Contract and delay in issuing a revised grant to Basingstoke & Deane Sports Trust	(62,500)	
Public Transport support to Operators - reduced cost of routes/taxishares	(44,700)	
Top of the Town - delays in introducing the Enterprise Hub (carry forward requested)	(36,900)	1
Savings on the allocation of programme grants in 2018/19	(36,700)	
Delays and re-phasing of Neighbourhood Planning Grant funded work	(20,600)	
Other minor net savings (< £20,000)	(121,700)	1
Sub-total	(972,900)	
Additional Income		
Additional income from housing benefit overpayment subsidy	(152,100)	
Additional interest and investment income	(89,000)	2
Additional rental income from The Malls due to higher occupancy levels than allowed for in the budget plan.	(88,500)	4
Other minor net add'l income (< £20,000)	(10,200)	
Sub-total	(339,800)	
Additional Expenditure		
Employees:		
- Vacancy factor yet to be met	215,000	
- Future forecast vacancy savings	(168,200)	
Events and Public Entertainment - additional expenditure relating to power and security	32,900	
Car Park business rate revaluation	29,600	
Other minor net additional expenditure (< £20,000)	17,600	
Sub-total	126,900	
Net cost of services (before reserve movements)	(678,600)	
Proposed transfers to/(from) reserves:		
To Carry Forward Reserve	72,000	1
To Rent Risk Reserve (Financial Policy)	88,500	4
To Interest Risk Reserve (Financial Policy)	89,000	2
To Basing View Revenue Reserve	118,000	3
To Stability and Resilience Reserve	311,100	
Un-allocated surplus/deficit	0	
Notes:		
1 - Transfer to carry forward reserve		
2 - Transfer to rent risk reserve in accordance with financial policies		
3 - Transfer to interest risk reserve in accordance with financial policies		
4 - Transfer to Basing View Revenue Reserve		

Appendix 2

Revenue Budget Summary by Portfolio 2018/19					
	£000				
	Original Budget 2018/19	Latest Budget 2018/19	Budget Movement	Forecast 2018/19	Forecast Variation 2018/19
Portfolio Services:					
Leader	317.3	268.2	(49.1)	256.7	(11.5)
Housing, Regeneration, Arts and Heritage	1,792.4	1,772.4	(20.0)	1,638.4	(134.0)
Regulatory Services and The Environment	4,237.2	4,234.3	(2.9)	4,109.0	(125.3)
Planning & Infrastructure	(212.7)	(218.5)	(5.8)	22.2	240.7
Communities and Community Safety	261.3	310.8	49.5	195.0	(115.8)
Finance, Service Delivery & Improvement	1,736.5	1,754.0	17.5	1,751.9	(2.1)
Property and Development	(141.7)	(141.7)	0.0	(106.9)	34.8
Digital Innovation and Inclusion	0.0	209.7	209.7	57.5	(152.2)
Holding and Agency Accounts	160.6	111.4	(49.2)	131.0	19.6
Strategic budgets to be released	583.0	258.0	(325.0)	48.3	(209.7)
Business Units	24,080.8	24,427.8	347.0	24,474.6	46.8
Net cost of Services	32,814.7	32,986.4	171.7	32,577.7	(408.7)
Investment Property Trading Accounts	(15,535.2)	(15,721.0)	(185.8)	(15,901.9)	(180.9)
Interest and Investment Income	(2,700.0)	(2,700.0)	0.0	(2,789.0)	(89.0)
Council Tax Income	(7,460.8)	(7,460.8)	0.0	(7,460.8)	0.0
Retained Business Rates	(3,233.9)	(3,233.9)	0.0	(3,233.9)	0.0
Government Grants	(2,779.7)	(3,307.7)	(528.0)	(3,307.7)	0.0
Corporate Income	(31,709.6)	(32,423.4)	(713.8)	(32,693.3)	(269.9)
Total net cost of services before reserve movements	1,105.1	563.0	(542.1)	(115.6)	(678.6)

Portfolio Monitoring Reports (Revenue)

(Note in the following tables, favourable variations are shown in brackets and unfavourable variances are shown as positive figures)

Communities and Community Safety Portfolio - £115,800 favourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Community Safety	231,500	229,044	212,300	(19,200)
Community Support And Development	888,600	632,004	848,200	(40,400)
General Parish Grants	43,600	26,983	25,500	(18,100)
Health Improvement	0	135	0	0
Public Conveniences	35,400	29,512	35,300	(100)
Sport And Recreation Participation And Development	37,000	17,280	36,100	(900)
Sports And Recreation	269,800	144,457	212,400	(57,400)
Public Transport Support To Operators	656,400	240,205	611,700	(44,700)
Car Parking	(1,851,500)	(847,982)	(1,786,500)	65,000
Grand Total	310,800	471,638	195,000	(115,800)

Budget Manager's explanations for forecast variations over £20,000:

Community Support and Development - £40,400 favourable variation

This budget includes £50,600 which was carried forward from 2017/18 to provide one-off funding for programme grants and external support. It is expected that £21,200 will be spent in this of this financial year. The balance of £29,400 is unlikely to be used as there are currently no plans to award further programme grants this financial year. In addition there is increased income of £3,300 generated from think safe school transport and various other minor savings of £8,000.

Sports & Recreation - £57,400 favourable variation

This variation is due to a one-off saving as a result of the implementation of the revised grant to Basingstoke & Deane Sports Trust being delayed to April 2019 and as a result of savings on the utilities costs associated with the leisure management contract.

Public Transport Support to Operators - £44,700 favourable variation

There is a £15,000 budget to fund routes for cemeteries and this will not be required in 2018/19. The remaining underspend of £29,700 is due to one off reduced costs of other routes and taxi-shares.

Car Parking - £65,000 unfavourable variation

Income from council car parks is forecast to be £50,200 lower than allowed for in the budget plan. Income levels are in line with receipts from last year however they have not increased as much as expected following the implementation of the new ticketing machines, changes to overnight charging and extending the daytime charging periods. The parking team are undertaking further analysis of trends and will feedback their findings as part of the next monitoring report.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Finance, Service Delivery and Improvement Portfolio - £2,100 favourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Council Tax Support Scheme	0	0	0	0
Local Tax Collection	(241,700)	136,628	(241,900)	(200)
Non Distributed Costs	1,785,400	1,005,981	1,784,000	(1,400)
Treasury Management	210,300	128,166	209,800	(500)
Grand Total	1,754,000	1,270,775	1,751,900	(2,100)

Budget Manager's explanations for forecast variations over £20,000:

There are no significant forecast variations for this portfolio

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Leader Portfolio – £11,500 favourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Corporate Management	73,200	43,559	73,200	0
Economic Development	157,600	73,020	145,000	(12,600)
Emergency Planning	22,400	21,650	22,500	100
Strategic Partnerships	1,400	5,361	5,400	4,000
Tourism	13,600	9,120	10,600	(3,000)
Grand Total	268,200	152,709	256,700	(11,500)

Budget Manager's explanations for forecast variations over £20,000:

There are no significant forecast variations for this portfolio

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Planning & Infrastructure Portfolio – £240,700 unfavourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Building Control	(504,100)	(344,653)	(506,500)	(2,400)
Land Drainage	34,900	29,658	34,600	(300)
Local Land Searches	(223,300)	(120,287)	(220,300)	3,000
Planning Development	(1,352,700)	(550,119)	(1,086,600)	266,100
Planning Policy	143,100	117,329	122,500	(20,600)
Highways Maintenance And Improvement	516,000	92,060	520,300	4,300
Parks and Open Spaces	1,147,100	816,719	1,137,700	(9,400)
Transportation Policy and Strategy	20,500	19,355	20,500	0
Grand Total	(218,500)	60,062	22,200	240,700

Budget Manager's explanations for forecast variations over £20,000

Planning Development - £266,100 unfavourable variation

Reduced planning income of £323,100 is now forecast due to a significant reduction in the number of larger applications being expected in the year. To date nine applications over £10,000 have been received, whereas 2017/18 there were 20 applications in the year. A number of potential sites have been identified which are expected to submit reserve matters applications in the final quarter of the year or in the next financial year.

The reduction in planning applications income is partly offset by increased other planning income of £76,000 which is mainly due to additional pre planning advice and S106 legal and admin and compliance fees. In addition there is a reduction of £29,000 in respect of CIL admin income which is due to the later than planned introduction. Also, there are supplies and services underspends of £9,700.

Planning Policy - £20,600 favourable variation

Neighbourhood planning grants of £40,000 were received by the local planning authority in the year for supporting the Kingsclere and Old Basing & Lychpit neighbourhood plans. Of the £40,000 received £19,400 has been required to fund local referendums and neighbourhood plan examination costs. This leaves a balance of £20,600 to contribute forwards staffing and administration costs in the business unit account.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Property and Development Portfolio – £34,800 unfavourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Other Council Property	(141,700)	(73,964)	(106,900)	34,800
CLG Studies	0	6,153	0	0
HCA Studies	0	35,914	0	0
Grand Total	(141,700)	(31,897)	(106,900)	34,800

Budget Manager's explanations for forecast variations over £20,000

Other Council Property - £34,800 unfavourable variation

The budget includes £30,000 for one-off income received by the council in respect of mobile home sales' commission. This is based on a trend of four mobile home sales per year with an average commission of £7,500 per sale. A total of six sales were completed in 2017/18 which generated one-off income of £42,700. The forecast reflects that no sales have been completed to date in 2018/19 and there are currently no mobile homes on the market so it is unlikely that any income will be received this financial year.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Regulatory Services and the Environment Portfolio - £125,400 favourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Cemeteries	(88,100)	(37,341)	(92,000)	(3,900)
Democratic Representation	743,000	487,430	724,200	(18,800)
Elections	441,700	218,231	274,400	(167,300)
Environmental Health Licensing	(184,000)	(151,454)	(188,500)	(4,500)
Environmental Protection	42,400	30,875	42,400	0
Food Safety	(4,900)	(4,113)	(4,900)	0
Household Residual Waste	2,159,500	1,337,366	2,169,100	9,600
Pest Control	26,200	38,755	26,200	0
Public Health	25,800	40,927	25,800	0
Street Cleansing	163,800	162,407	164,500	700
Sustainable Development Strategies	21,900	29,180	23,300	1,400
Environmental Initiatives	25,800	19,787	25,800	0
Kerbside Recycling and Bring Bank Sites	1,015,400	631,081	1,009,000	(6,400)
Private Hire and Hackney Carriages	(154,100)	(62,406)	(90,300)	63,800
Trees and Forestry Policy	(100)	0	(100)	0
Commercial Waste	0	3	0	0
Grand Total	4,234,300	2,740,727	4,108,900	(125,400)

Budget Manager's explanations for forecast variations over £20,000

Elections - £167,300 favourable variation

The electoral services manager reviewed the level of resources required for the May local elections with resulting efficiency savings of £79,000. In addition residents are registering earlier than allowed for in the budget plan and also more residents are registering electronically with resulting savings of £88,400 in print and postage costs.

Private Hire & Hackney Carriages - £63,800 unfavourable variation

Following a reduction in income forecast at the end of quarter 2, which was as a result of licences migrating from one to three years, the actual number of licences being renewed to date has dropped by approximately 14% compared to the last financial year. The forecast income has therefore been reduced further to reflect this.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Housing Regeneration, Arts & Heritage Portfolio – £134,000 favourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Markets	(2,600)	18,488	(2,600)	0
Private Sector Housing Standards Enforcement	(700)	(34,599)	(700)	0
Top Of The Town	169,600	84,240	132,700	(36,900)
Housing Strategy	0	0	0	0
Enabling Affordable Housing	100	0	100	0
Housing Needs And Advice	(12,800)	(17,927)	(12,800)	0
Homelessness	245,900	539,945	83,500	(162,400)
Private Sector Housing Renewal	0	0	0	0
Arts and Heritage	1,200,600	892,762	1,200,600	0
Events and Public Entertainment	172,300	241,236	237,600	65,300
Grand Total	1,772,400	1,724,144	1,638,400	(134,000)

Budget Manager's explanations for forecast variations over £20,000

Top of the Town - £36,900 favourable variation

This underspend relates to the creation of the enterprise hub at the top of town. As this is a fundamental element in revitalising the Top of Town as well as encouraging small business start-up advice and assistance, further exploratory work was required to ensure that the launch was successful with a resulting delay in expenditure. The budget plan has been adjusted to reflect revised timescales and £36,900 of this budget will be required in 2019/20, as part of this three year innovative initiative.

Homelessness - £162,400 – favourable variance

Forecast underspends of £162,400 are mainly due to ongoing work to procure a new private sector leasing scheme. The current scheme is continuing until the new scheme is agreed, funded from the Housing Benefits budgets.

Events & Public Entertainment - £65,300 unfavourable variation

The overspend mainly relates to the B Love festival where income was below expected levels resulting in a £37,400 underachievement of forecast income as well as £27,400 overspend due to late additional costs on items such as power, fencing, security, staging & lighting.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Digital Innovation & Inclusion Portfolio – £152,200 favourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Housing Benefits	209,700	28,624,821	57,500	(152,200)
Grand Total	209,700	28,624,821	57,500	(152,200)

Budget Manager's explanations for forecast variations over £20,000

Housing Benefits - £152,100 favourable variance

The council has received more money from government due to more claims attracting full subsidy generally, but in particular, reclassification of some temporary accommodation has been delayed due to the contractual arrangements on tenancy changes. This is partly offset by reduced overpayment income due to changes in assumptions of the impacts of government legislation.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Analysis of Outturn Variances for Holding & Agency Accounts

Holding Accounts - £19,600 unfavourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Council Offices	1,132,000	773,194	1,161,600	29,600
Other Holding Accounts	0	456,475	0	0
IT Hardware And Software Maintenance Costs	919,300	1,139,481	919,000	(300)
Vehicles	617,300	417,434	607,600	(9,700)
Grand Total	2,668,600	2,786,584	2,688,200	19,600

Budget Manager's explanations for forecast variations over £20,000:

Council Offices - £29,600 unfavourable variation

The variation is due to income from solar panels being less than assumed in the budget plan and increased business rate costs following a revaluation of campus car parks.

Appendix 3 (continued)

Agency Accounts – no significant variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Agency - BDBC Parking Control	(198,700)	(65,911)	(198,700)	0
Agency - BEST Schemes	0	0	0	0
Agency - Central Government Elections And Referenda	0	20,039	0	0
Agency - Highways	(796,900)	(73,796)	(796,900)	0
Agency - Hart Street Cleansing	(543,400)	(404,372)	(543,400)	0
Agency - Hart Grounds Maintenance	(438,400)	(263,000)	(438,400)	0
Agency - Hart Legal Services	(280,300)	(142,430)	(280,300)	0
Agency - Hart Licensing	(139,200)	(127,117)	(139,200)	0
Agency - Hart Customer Services	(136,000)	(68,000)	(136,000)	0
Agency - Hart Internal Audit	(18,000)	0	(18,000)	0
Agency - Hart Telephony	0	9,290	0	0
Agency - BID	(6,300)	7,304	(6,300)	0
Agency - Housing	0	9,996	0	0
Agency - County Elections	0	397	0	0
Grand Total	(2,557,200)	(1,097,598)	(2,557,200)	0

Budget Manager's explanations for forecast variations over £20,000:

There are no significant forecast variations.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Business Units Outturn 2018/19 - £ 46,800 unfavourable variance

Subjective Heading	Latest Budget 18/19 £	Forecast Outturn 18/19 £	Forecast Variation 18/19 £
Employees	23,941,500	23,960,400	18,800
Supplies & Services	2,668,600	2,685,100	16,500
Income	(2,182,300)	(2,170,800)	11,500
Grand Total	24,427,800	24,474,700	46,800

Budget Manager's explanations for forecast variations over £20,000:

There are no forecast variations of more than £20,000.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Analysis of Outturn Variances for Trading Accounts - £180,900 favourable variation

Budget Book Service Area	18/19 Latest Budgets as at 30/11/2018 £	Total Spend (Actuals & Commitments) £	Estimated Spend / Income For Year (to 31/03/19) £	Forecast Variation Total Spend From latest Budget as at 30/11/2018 £
Industrial And Commercial	(12,527,000)	(9,156,492)	(12,518,800)	8,200
The Malls	(1,374,200)	(1,639,887)	(1,579,800)	(205,600)
Festival Place	(525,800)	(509,450)	(525,800)	0
Leisure Park	(371,400)	(129,142)	(371,900)	(500)
Basing View Regeneration	168,700	221,217	184,300	15,600
Manydown Development	0	0	0	0
Manydown Operations	(80,300)	0	(80,300)	0
Property Investment Strategy, General	(1,011,000)	(662,265)	(1,009,600)	1,400
Grand Total	(15,721,000)	(11,876,019)	(15,901,900)	(180,900)

Budget Manager's explanations for forecast variations over £20,000:

The Malls - £205,600 favourable variation

The forecast favourable variance is mainly due to additional rent and vacant unit cost savings arising from the occupation of two units (5 & 7 Old Basing Mall and 16 Old Basing Mall) which the budget assumed would be vacant for part of 2018/19.

Appendix 3 (continued)

Portfolio Monitoring Reports (Revenue)

Interest & Investment Income - £89,000 forecast favourable variation

Budget Manager's explanations for variations over £20,000:

The main reason for the additional income forecast relates to the increase in short term interest rates this year combined with higher than anticipated cash balances due to timing changes of some capital schemes.

APPENDIX 4

2018/19 CAPITAL PROGRAMME SUMMARY BY PORTFOLIO								
Actual Spend as at 30th November 2018								
Portfolio	PROPOSED BUDGET 18/19	ACTUAL SPEND				FORECAST FOR YEAR		
		Actual	Commitment	Total (Actual + Commitment)	% of Proposed Budget Spent	Forecast Spend For Year	Forecast Budget Variation	Forecast Spend As % Of Proposed Budget
	£000s	£000s	£000s	£000s	%	£000s	£000s	%
Communities and Community Safety	1,620	625.0	561.9	1,186.9	73%	1,609	(10)	99%
Finance, Service Delivery and Improvement	1,626	875.9	148.3	1,024.2	63%	1,626	0	100%
Housing, Regeneration, Arts and Heritage	183	87.2	34.2	121.4	66%	183	0	100%
Leader	600	600.0	0.0	600.0	100%	600	0	100%
Planning and Infrastructure	263	188.7	13.4	202.1	77%	263	(0)	100%
Property and Development	6,006	3,329.8	152.0	3,481.8	58%	5,935	(71)	99%
Digital Innovation and Inclusion	1,214	847.9	0.0	847.9	70%	1,214	(0)	100%
Regulatory Services and The Environment	5,713	5,120.1	157.1	5,277.2	92%	5,713	0	100%
TOTAL	17,224	11,674.5	1,066.9	12,741.5	74%	17,142	(81)	100%

Portfolio Monitoring Reports (Capital)**Communities and Community Safety – £10,100 favourable variation**

Capital Scheme Title (per Capital Programme)	Proposed Budget 18/19 (as per Budget report)	Total Spend (Actuals and Commitments) as at 30/11/2018 £000s	Estimated Spend for Year to 31/03/19 £000s	Forecast Variation from Budget £000s
Beggarwood Community Facility	26.1	41.0	26.1	0.0
CCTV	0.0	16.1	0.0	0.0
Developers Contributions for Replacement/Refurbishment of Community Facilities	50.2	13.2	50.2	0.0
Kingsclere Public Conveniences	24.0	23.2	24.0	0.0
Leisure Management Aquadrome and Tadley Pool	75.0	0.0	75.0	0.0
Norden Community Project	3.0	0.0	3.0	0.0
Parking And Access Schemes	235.0	196.9	235.0	0.0
Play Area Improvements (S106)	148.5	106.6	148.5	0.0
Sport and Rec Improvements (S106)	175.3	0.0	175.3	0.0
Tadley Pool Fitness Suite	400.0	410.2	390.0	-10.0
The Vyne School AGP (S106)	362.3	362.3	362.3	0.0
Top of the Town Community Facilities (S106)	20.0	0.0	20.0	0.0
Town Centre Car Park Improvements	100.1	17.3	100.0	-0.1
Grand Total	1619.5	1186.9	1609.4	-10.1

Budget Manager's explanations for variations over £20,000:

There are no significant forecast variations for this portfolio.

Appendix 5 (continued)

Portfolio Monitoring Reports (Capital)

Finance Service Delivery and Improvement Portfolio – no significant variations

Capital Scheme Title (per Capital Programme)	Proposed Budget 18/19 (as per Budget report)	Total Spend (Actuals and Commitments) as at 30/11/2018 £000s	Estimated Spend for Year to 31/03/19 £000s	Forecast Variation from Budget £000s
ICT Replacement Programme	195.0	149.2	195.0	0.0
Local Infrastructure Fund	934.6	598.4	934.6	0.0
Replacement Financial Management System (FMS)	239.1	182.5	239.1	0.0
Replacement of Council Owned Vehicles	256.9	94.0	256.9	0.0
Grand Total	1625.6	1024.2	1625.6	0.0

Budget Manager's explanations for variations over £20,000:

There are no significant forecast variations for this portfolio.

Appendix 5 (continued)

Portfolio Monitoring Reports (Capital)

Leader Portfolio - no significant variations

Capital Scheme Title (per Capital Programme)	Proposed Budget 18/19 (as per Budget report)	Total Spend (Actuals and Commitments) as at 30/11/2018 £000s	Estimated Spend for Year to 31/03/19 £000s	Forecast Variation from Budget £000s
New Transport Infrastructure	600.0	600.0	600.0	0.0
Grand Total	600.0	600.0	600.0	0.0

Budget Manager's explanations for variations over £20,000:

There are no significant forecast variations for this portfolio.

Appendix 5 (continued)

Portfolio Monitoring Reports (Capital)

Planning & Infrastructure Portfolio – no significant variations

Capital Scheme Title (per Capital Programme)	Proposed Budget 18/19 (as per Budget report)	Total Spend (Actuals and Commitments) as at 30/11/2018 £000s	Estimated Spend for Year to 31/03/19 £000s	Forecast Variation from Budget £000s
Allotment Improvements	98.1	105.5	98.1	0.0
Open Space Improvements (S106)	164.7	96.6	164.7	0.0
Grand Total	262.8	202.1	262.8	0.0

Budget Manager's explanations for variations over £20,000:

There are no significant forecast variations for this portfolio.

Appendix 5 (continued)

Portfolio Monitoring Reports (Capital)

Property and Development Portfolio – £71,100 favourable variation

Capital Scheme Title (per Capital Programme)	Proposed Budget 18/19 (as per Budget report)	Total Spend (Actuals and Commitments) as at 30/11/2018 £000s	Estimated Spend for Year to 31/03/19 £000s	Forecast Variation from Budget £000s
AMP Works (various sites)	1118.5	616.9	1076.4	-42.1
AMP: Industrial and Commercial - Bear, Eagle and Lion	-0.0	-1.0	0.0	0.0
Basing View - Plot O	48.5	73.9	48.5	0.0
Basing View - Plot J	656.0	541.7	656.0	0.0
Basing View - Plot K	1050.0	32.8	1050.0	0.0
Basing View - Site W (Hotel Site)	2227.1	1537.7	2227.1	0.0
Chineham House	143.0	17.0	114.0	-29.0
Invest to Grow - Bear, Eagle, Lion Court and Former	-0.0	-2.1	0.0	0.0
Property Investment Strategy (PIS) allocated	486.3	486.2	486.3	0.0
Re-Letting Works - Investment Property	206.6	168.4	206.6	0.0
The Malls Re-Letting Works	0.0	10.3	0.0	0.0
Wade Road Wash Down Facility	70.0	0.0	70.0	0.0
Grand Total	6006.0	3481.8	5934.9	-71.1

Budget Manager's explanations for variations over £20,000:

AMP Works (Various sites) - £42,100 favourable variation

Of the 13 planned projects for this financial year, 7 have been completed at a total cost of £487,000. Of the remaining 6 projects, 2 (the replacement and upgrade of roller shutter doors at Wade Road Depot's workshop and replacement of conservatories at Tadley Community Centre) are now at risk of being delayed until 2020/21 due to the impact of other works at the sites and so a variance of £130,000 is being reported. However, this is partially offset by a forecast of £90,000 for completion of essential roof works at Haymarket Theatre. There is some risk to Haymarket expenditure as tenders for this work will not be received until early in 2019.

Chineham House - £29,000 favourable variation

The proposed budget was based on the estimated payment schedule. This has now been revised and payments totalling of £114,000 are estimated this financial year. There is still risk to this as when tenders are received in January a more detailed cash-flow will be produced by the contractor.

Appendix 5 (continued)

Portfolio Monitoring Reports (Capital)

Regulatory Services and the Environment Portfolio – no significant variations

Capital Scheme Title (per Capital Programme)	Proposed Budget 18/19 (as per Budget report)	Total Spend (Actuals and Commitments) as at 30/11/2018 £000s	Estimated Spend for Year to 31/03/19 £000s	Forecast Variation from Budget £000s
Buckskin Flood Alleviation Scheme	250.0	250.0	250.0	0.0
Council Offices	239.5	268.5	239.5	-0.0
Future Cemetery Provision	0.0	1.3	0.0	0.0
Green Initiatives	114.2	4.8	114.2	-0.0
Repairs to War Memorial	43.0	13.3	43.0	0.0
Waste Contract Vehicle Financing	5066.0	4739.3	5066.0	0.0
Grand Total	5712.7	5277.2	5712.7	-0.0

Budget Manager's explanations for variations over £20,000:

There are no significant forecast variations for this portfolio.

Appendix 5 (continued)

Portfolio Monitoring Reports (Capital)

Housing, Regeneration, Arts & Heritage Portfolio – no significant variations

Capital Scheme Title (per Capital Programme)	Proposed Budget 18/19 (as per Budget report)	Total Spend (Actuals and Commitments) as at 30/11/2018 £000s	Estimated Spend for Year to 31/03/19 £000s	Forecast Variation from Budget £000s
Environmental Renewal Schemes	107.0	56.4	107.0	0.0
Town Centre Improvements	75.7	65.0	75.7	0.0
Grand Total	182.7	121.4	182.7	0.0

Budget Manager's explanations for variations over £20,000:

There are no significant forecast variations for this

Appendix 5 (continued)

Portfolio Monitoring Reports (Capital)

Digital Innovation and Inclusion Portfolio – no significant variations

Capital Scheme Title (per Capital Programme)	Proposed Budget 18/19 (as per Budget report)	Total Spend (Actuals and Commitments) as at 30/11/2018 £000s	Estimated Spend for Year to 31/03/19 £000s	Forecast Variation from Budget £000s
Communication Improvement and Technology Infrastructure (Pilot)	14.1	14.1	14.1	0.0
Mandatory Disabled Facilities Grants	1200.2	833.8	1200.0	-0.2
Grand Total	1214.3	847.9	1214.1	-0.2

Budget Manager's explanations for variations over £20,000:

There are no significant forecast variations for this portfolio