

Appendix A1 - Quarterly Variance Movement Analysing

Budget Areas - By Group Head	Qtr. 3 Original Budget	Qtr. 3 Variance	Qtr. 2 Variance	Q3 vs Q2 Variance Movement Increase/ (Decrease)	Comment
	£'000	£'000	£'000	£'000	
Gross Expenditure	64,955	(5,457)	(5,609)	152	Please see Service lines below
Less Housing Benefit grant	(16,618)	919	893	26	Please see Service lines below
Less Specific fees and charges income	(21,556)	3,436	3,920	(484)	
<b>Net Expenditure - broken down as below</b>	<b>26,781</b>	<b>(1,102)</b>	<b>(796)</b>	<b>(306)</b>	
Assets Mgt.					The quarterly movement is primarily driven by a reduction in <b>consultant costs</b> in asset admin due to less support required than previously anticipated. In addition, the latest forecast reflects the finding that the <b>business rates</b> account for one of our development properties is in credit, reducing the overall forecast compared with the prior quarter, as well as a rent increase following a rent review, has also increased our forecasted income.
	2,086	328	569	(241)	
Commissioning & Transformation	5,742	(1,902)	(1,913)	11	Mainly due to staffing budget and admin costs.
Community & Wellbeing					<b>Housing Benefits Payments</b> (£254k)- £284k forecast adverse movement based on full year 2024-25 and Year To Date actuals for <b>rent rebates</b> (not full recovered), offset by £30k reduction in forecast for <b>discretionary housing payments</b> due to reduced need to top up; <b>Refugee Schemes</b> (£73k)- Additional invoices received to cover the repairs to properties at Longford Village before passing back to the landlord. Offset by Other (£17k) due to budget reductions in a number of areas because of budget realignment.
Finance & Corporate Services	5,269	(68)	255	(323)	The overall improvement is because of mainly due to <b>capital receipt</b> expected which covers Improvement Recovery Programme transactional work costs.
Legal and Elections	1,974	(201)	(242)	42	<b>Counter Fraud Service contract</b> costs are expected to be higher by £21k and £7K remainder relates to higher <b>internal audit services contract</b> costs. The rest (£14k) is linked to <b>cost of two by elections</b> .
Neighbourhood Services	3,806	(940)	(952)	12	Mainly due to <b>Car Parks</b> , revised down Car Parking Fees & charges income as per the latest actuals trend.
Place, Protection & Prosperity	3,911	(372)	(256)	(116)	The main reasons behind the quarterly movement are : <b>Building control (£51k)</b> - Proposal to use Elmbridge BC services largely curtailed; <b>Planning Development Control (£41k)</b> - Consultant Fees & Legal and Court costs are forecast down on budget; this is subject to the volume of developer appeals being less than expected; ; <b>Other £18k</b>
<b>Net Expenditure at Service Level</b>	<b>26,781</b>	<b>(1,102)</b>	<b>(796)</b>	<b>(307)</b>	
Investment & Regeneration (see Table 3 below)	(45,581)	(954)	717	(1,672)	Due to <b>landlord cost reductions</b> because: <b>Business rates</b> appeal at Stockley park was approved, we got refunded back to November 2022 (£0.904m), the rest <b>lower than anticipated</b> costs on a number of areas.
Minimum Revenue Provision	13,025	46,394	44,619	1,774	Due to inclusion of Knowle Green Estate loan (£0.412m) and leases priorly excluded (£0.515m) and the rest (£0.847m) review of MRP calculations because of reclassification of a number of properties..
Loan Interest Payments	25,425	1,774	4,057	(2,283)	Revised forecast as per the latest information.
Loan Discount off	0	(34,261)	(34,261)	0	
Interest Earnings	(2,112)	(68)	(293)	225	Interest income decrease because of fluctuations in market lending rates.
Contributions to/from Reserves	(9,110)	10,625	9,221	1,404	Movement due to offsetting the housing write off scheme and other reserve forecast reductions .
<b>Budget Requirement</b>	<b>17,137</b>	<b>13,696</b>	<b>14,554</b>	<b>(858)</b>	
External Grants	(2,053)	0	0	0	
National Non-Domestic Rates	(4,910)	0	0	0	
<b>Net Budget Requirement</b>	<b>10,173</b>	<b>13,696</b>	<b>14,554</b>	<b>(858)</b>	
Collection Fund Surplus/(deficit)	(877)	0	0	0	
Income from Council Tax	(9,296)	0	0	0	
<b>Net Position - Over/ (Under) budget</b>	<b>0</b>	<b>13,696</b>	<b>14,554</b>	<b>(858)</b>	