



# **CORPORATE MANAGEMENT COMMITTEE**

**4 MARCH 2010**

## **APPENDICES**

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# CORPORATE & BUSINESS SERVICES

## FINANCIAL MONITORING STATEMENT

Figures to January 2010

APPENDIX 'B'

### PROJECTED BUDGET AND FORECAST

	2009/10 Probable £'000	Future Years		
		2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Approved budget:</b>				
Corporate and Democratic Services	2,333	2,339	2,339	2,339
Business Services	1,016	983	983	983
Control and Establishment Budgets	112	201	201	201
<b>Total approved budgets</b>	<b>3,461</b>	<b>3,523</b>	<b>3,523</b>	<b>3,523</b>
<b>Approved and reported changes:</b>				
<u>Changes approved in Financial Forecast (CMC - October 2009):</u>				
<u>Corporate and Democratic Services</u>				
Election costs not recoverable in 2009/10 & 2010/11			-10	-10
Grant Aid general provision reduced			-10	-10
<u>Business Services</u>				
Land Charges - assumed recovery in property market			-100	-100
Land Charges - response to reduced search volumes				-5
Revenue Services - restructuring				-20
<u>Control and Establishment Budgets</u>				
Performance Related Pay - provision reinstated				150
Pensions Fund - potential impact of next valuation			100	100
Private medical insurance - benefit phased out			-7	-7
Building Services - savings from partnership working			-25	-25
Provision for restructuring opportunities			-20	-40
<b>Other potential changes:</b>				
None				
<b>Latest budget projection</b>	<b>3,461</b>	<b>3,523</b>	<b>3,451</b>	<b>3,556</b>

### SAVINGS TARGETS TO BE DELIVERED (built into budgets above)

	2009/10 Budget £'000	Future Years		
		2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Revenue reductions - Phase (December 2008)</b>				
Building Services partnership working (target 2)		25	25	25
Land Charges changes resulting from reduced volumes (target 5)		5	5	10
Salary savings general (target 10)		20	40	60
Grant Aid provision (target 11)			10	10
Revenue Services restructuring (target 12)				20

### CURRENT YEAR KEY BUDGET INDICATORS

	2009/10 Probable £	Budget to Date £	Actual to Date £	Variance to Date £
Local Land Charges - income budget	241,200	204,000	198,000	-6,000
Changes to the statutory fee regime for additional enquiries were implemented early in 2009.				
The Personal Search fee will increase from £11 to £22 with effect from 1 January 2010.				

## Progress in achieving revenue reduction targets planned for 2009/10

Revenue Reduction in 2009/10	Target	Comment	Achieved to date	*
£	£		£	
3 Reduced catering subsidy	5,000	The catering contractor has agreed to a phased withdrawal of the Council's subsidy. This will yield budgetary savings of £4,600 in 2009/10, increasing to £12,200 in 2010/11 and £13,000 per annum thereafter. The planned annual saving was £5,000. However, the savings have been offset by the increased cost of providing free beverages in the tea points. This will eliminate the saving in 2009/10 and reduce future net savings to £4,000 per annum.	0	A
4 Committee Administration restructuring	15,000	The restructuring has been implemented and the saving will be achieved.	15,000	G
6 Defer parking machine replacement contribution	10,000	No machines will be replaced in 2009/10 so there will be no contribution to the replacement reserve. This is a short-term saving. As planned, the machines are expected to be replaced in 2011/12 which means that the annual contribution to reserves will be reinstated in 2011/12.	10,000	G
7 Reduced strategic maintenance provision	78,000	Spending plans for 2009/10 are still based on achieving the reduced budget. However, this will not reduce the revenue budget by £78,000 because the reductions are on the capitalised element of the planned maintenance works. The saving in the capital programme translates into a revenue saving of approximately £3,000.	3,000	R
9 Further procurement savings	15,000	Officers are pursuing several initiatives with a view to achieving further savings. The use of a Buying Solutions (OGC) contract for telephone calls will attract an additional discount of 15% which is expected to yield annual savings of £2,800. A Buying Solutions agreement has also been used to reduce Microsoft licenses by £19,000.	21,800	G
10 Provision for restructuring opportunities	20,000	Savings to date have been achieved from restructurings when posts have become vacant.	20,000	G
11 5% reduction in grants budget	10,000	The general provisions for Community Services related grants and Leisure related grants have each been reduced by £5,000 so the planned saving will be achieved.	10,000	G
13 QEH disposal	25,000	Plans for converting the premises into a health centre have been abandoned and alternative options are now being examined. There will be no savings from disposal in 2009/10 although a £10,000 saving on holding costs has been achieved.	10,000	A
14 Revenue impact of reduced capital spend	5,000	This saving was based on reducing the capital programme by £100,000 and thereby achieving additional investment income of £5,000 assuming interest rates of 5%. The capital programme was reduced by £100,000 but, in view of the reduction in interest rates, the revenue benefit will only be £1,500.	1,500	A
15 Rationalisation of community transport fleet	10,000	Using the fleet for Surrey County Council contracts has outperformed the saving target.	15,000	G
16 CEO efficiency savings	5,000	Staffing restructurings have achieved these savings.	5,000	G
18 Egham Leisure Centre savings from football pitches	45,000	On 19 March 2009 the Leisure and Environment Committee resolved to accept the bid from Azzurri Sports and Leisure Ltd to manage the five-a-side football pitches at the Egham Leisure Centre. This is expected to save £44,600 in a full year with effect from 2012/13 compared with the in-house arrangements (see Budget Book page 65).	0	G
19 Discretionary Income increased above inflation	10,000	Income from cemeteries' fees and charges was increased by £20,200 more than inflation in the 2009/10 budget as a result of the decision to increase charges by between 10% and 25%. However, the number of burials has declined and the income target will not be achieved. The outlook is uncertain.	0	R
20 Reduced expenditure at Leisure Centres	5,000	The budget for 2009/10 was reduced by £5,000.	5,000	G
21 Rationalisation of marketing at Leisure Centres	6,000	The marketing post has been deleted and the duties transferred to other posts. This is expected to produce a saving of £15,700 at the two leisure centres in a full year.	15,700	G
23 Deletion of Technical Services administrative post	15,000	As reported in the 2009 Annual Workforce Plan, a part-time post in the Administration Section of the Technical Services Department has been deleted from the establishment, yielding a saving of £15,000.	15,000	G
24 Out of hours noise service	10,000	The service was discontinued with effect from 1 April 2009, thereby achieving the planned saving. As reported to the Leisure and Environment Committee on 22 January 2009, Officers will endeavour to provide some cover in-house should the need arise.	10,000	G
25 Increased Income from Community Halls	15,000	Charges were increased with effect from 1 April 2009 in order to achieve the target.	15,000	G
26 Visit Surrey subscription	10,000	This provision was removed from the 2009/10 budget. However, the savings from the subscription were insufficient to achieve the savings and they will be achieved through cutting costs throughout the Leisure Development and Play and Youth budgets.	10,000	G
27 Safer Runnymede speed camera initiative	4,000	The costs of the speed camera initiative were transferred to Surrey Police. However, Surrey Police have withdrawn their contribution of £30,000 towards Safer Runnymede thereby negating any savings.	4,000	G
28 Teleonomy surveys	2,000	Notice has been given to terminate the contract.	1,500	G
29 Trade Refuse - restructuring charges	30,000	The new charging regime was implemented from 1 April 2009 and this is now expected to yield the targeted amount.	30,000	G
30 Training budget	15,000	This saving is expected to be achieved.	15,000	G
31 July 2009 pay award	120,000	The award of 1% following the national agreement will achieve the saving of £120,000 compared with the original budgetary provision for a 2% award.	120,000	G
34 Council Tax and Business Rates	13,000	Increased summons and liability order costs were approved by the Magistrates in May 2009. This is expected to outperform the targeted increase in income.	15,000	G
40 Community alarms - call-out allowance	0	This saving was implemented in 2009/10 so the reduction in the budget has been achieved earlier than originally anticipated. Savings in 2009/10 are expected to be £1,300.	1,300	G
41 Community alarms - alarm maintenance	2,000	The reduction in the provision for alarm maintenance and purchase of new units has reduced the probable outturn by £5,500.	5,500	G
43 Benefits external audit fee	10,000	The reduction in the KPMG fee for auditing the Benefit Subsidy claim is now only expected to reduce by £5,600. Unfortunately, this will be offset by a charge from the Audit Commission for CAA work.	0	R
44 Benefits visiting officer	17,000	This post has been deleted from the establishment.	17,000	G
45 Licensing general office expenses	1,500	The budgetary provision has been reduced but the saving has been offset by a decline in licensing income.	0	R
46 Car Park equipment	5,000	The reduction in the budget in 2009/10 will be £2,500. Savings in 2010/11 will be £5,800.	2,500	G
47 Democratic Representation	4,000	The budgetary provision for refreshments has been reduced by £3,400 in 2009/10 and this will increase to £4,000 in 2010/11. Additional savings in 2009/10 of £2,500 will be achieved because the provision for training will not be fully utilised.	5,900	G
48 Council Tax postage	10,000	The targeted saving will be achieved by using the NFI data matching exercise rather than a postal survey.	10,000	G
	<b>£547,500</b>		<b>£409,700</b>	

\* Risk Indicators  
R = Red  
A = Amber  
G = Green

## Progress in achieving target savings

	Target Saving £	Latest projections of savings likely to be achieved					*
		2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £	
1 Safer Runnymede - increased subscriptions	30,000		30,000	30,000	30,000	30,000	A
2 Joint working	50,000		25,000	50,000	50,000	50,000	A
3 Reduced catering subsidy	5,000	0	4,000	4,000	4,000	4,000	A
4 Committee/Admin restructure	15,000	15,000	15,000	15,000	15,000	15,000	G
5 Land Charges - reduced volumes	10,000		5,000	5,000	10,000	10,000	A
6 Defer parking machine replacement contribution		10,000	10,000				G
7 Reduced strategic maintenance provision	50,000	3,000	3,000	3,000	3,000	3,000	R
8 Review of asset management plan	125,000		25,000	25,000	25,000	125,000	A
9 Further procurement savings	15,000	21,800	21,800	21,800	21,800	21,800	G
10 Provision for restructuring opportunities	100,000	20,000	40,000	60,000	80,000	100,000	G
11 5% reduction in grants budget	20,000	10,000	10,000	20,000	20,000	20,000	G
12 Revenues restructuring	20,000			20,000	20,000	20,000	A
13 QEH disposal	25,000	10,000		25,000	25,000	25,000	A
14 Revenue impact of reduced capital spend	5,000	1,500	2,000	3,000	5,000	5,000	A
15 Rationalisation of community transport fleet	10,000	15,000	15,000	15,000	15,000	15,000	G
16 CEO efficiency savings	5,000	5,000	5,000	5,000	5,000	5,000	G
17 10% reduction in overtime	15,000		15,000	15,000	15,000	15,000	A
18 ELC savings from football pitches (Budget Book p.65)	45,000	0	9,600	34,200	44,600	44,600	G
19 Discretionary income increased above inflation	45,000	0	0	15,000	45,000	45,000	R
20 Reduced expenditure at Leisure Centres	5,000	5,000	5,000	5,000	5,000	5,000	G
21 Rationalisation of marketing at Leisure Centres	6,000	15,700	15,700	15,700	15,700	15,700	G
22 Reduced cost of public notices	25,000		0	0	0	0	R
23 Deletion of DTS administrative post	15,000	15,000	15,000	15,000	15,000	15,000	G
24 Out of hours noise service	10,000	10,000	10,000	10,000	10,000	10,000	G
25 Increased income from Community Halls – better utilisation	15,000	15,000	15,000	15,000	15,000	15,000	G
26 Leisure development and tourism/"Visit Surrey" subscription	10,000	10,000	10,000	10,000	10,000	10,000	G
27 Safer Runnymede speed camera initiative	4,000	4,000	4,000	4,000	4,000	4,000	G
28 Teleonomy surveys	2,000	1,500	2,000	2,000	2,000	2,000	G
29 Trade Refuse - restructuring charges	30,000	30,000	30,000	30,000	30,000	30,000	G
30 Training budget	15,000	15,000	15,000	15,000	15,000	15,000	G
31 July 2009 pay award (1% instead of forecast 2%)	160,000	120,000	160,000	160,000	160,000	160,000	G
32 Suspending PRP			150,000	150,000			G
33 July 2010 pay award (0.5% instead of forecast 2%)	204,000		153,000	204,000	204,000	204,000	G
34 Council Tax and Business Rates	13,000	15,000	15,000	15,000	15,000	15,000	G
35 Publications	1,000		1,000	1,000	1,000	1,000	G
36 Inflation on prices	100,000		100,000	100,000	100,000	100,000	R
37 Close 2 day centres over Christmas	4,000		4,000	4,000	4,000	4,000	G
38 Day centre staffing	13,500		13,500	13,500	13,500	13,500	G
39 Community alarms	10,000		10,000	10,000	10,000	10,000	G
40 Community alarms	2,000	1,300	2,600	2,600	2,600	2,600	G
41 Community alarms	2,000	5,500	8,500	8,500	8,500	8,500	G
42 Cemeteries	20,000		20,000	20,000	20,000	20,000	A
43 Benefits external audit fee	10,000	0	0	0	0	0	R
44 Benefits visiting officer	17,000	17,000	17,000	17,000	17,000	17,000	G
45 Licensing general office expenses	1,500	0	0	1,500	1,500	1,500	R
46 Car Park equipment	5,000	2,500	5,000	5,000	5,000	5,000	G
47 Democratic Representation	4,000	5,900	4,000	4,000	4,000	4,000	G
48 Council Tax postage	10,000	10,000	10,000	10,000	10,000	10,000	G
49 New capital receipts	61,000			41,000	61,000	61,000	A
<b>Total projected savings</b>	<b>1,365,000</b>	<b>409,700</b>	<b>1,030,700</b>	<b>1,234,800</b>	<b>1,192,200</b>	<b>1,312,200</b>	

## \* Risk indicators

R = Red

A = Amber

G = Green