

APPENDIX 2

Directorates Variances Summary

		<i>Variances and movements greater than £50,000</i>		
<u>Directorate</u>	Quarter 2 Variance £	Quarter 3 Variance £	Movement	Main Variances Explanation
<u>Finance & Resources</u>				
Assets and Property	86,550	(339,756)	(426,307)	The favourable variance and movement and variance is mainly due to the centralised Corporate Maintenance budget which is charged to individual services and the favourable forecast is changed in Assets & Property each month.
Commercial Services	134,212	135,847	1,635	Within Off-Street parking there is a forecasted reduction in parking income. This is regularly reviewed to ascertain the best way to mitigate the issue.
Finance	(971)	1,497,740	1,498,711	The adverse variance and movement is mainly due to reversal of an HRA recharge that will not be recovered this year. This has been rectified for 2026-27. Additionally, there is a predicted adjustment required for Surrey Pension Fund Strain, of £194k A as well as agency spend within Council Tax to maintain services.
	219,791	1,293,831	1,074,040	
<u>Economy, Planning and Place</u>				
Communication & Customer Services	0	0	(0)	The favourable position for quarter 3 partly relates to staffing vacancies within Development Management and Planning Policy. Both services are in the process of recruiting to these roles. There is additional, demand led planning fee income which is expected to increase. The favourable movement in quarter 3 relates to a planning fee forecast increase of £462k F, due in part to an application fee of £122.8k F from one organisation. Growth bid expenditure totalling £276k F will not be spent as LGR gets closer. There will be significant recovery of PPA costs in the next few weeks, to be determined in period 10. There will also be significant enforcement costs in the region of £70k F, again to be determined in period 10. The net effect will be additional income.
Planning	(198,806)	(1,031,183)	(832,377)	The adverse variance relates to a change in the level of staffing costs to be charged to capital partially offset by staffing savings within Economic Development.
Regeneration & Economic Development	93,907	93,907	0	
Regulatory Services	(102,706)	(292,479)	(189,773)	The underspend and movement mainly relates to staffing vacancies as well as a growth bid funding for staff not required.
	(207,606)	(1,229,756)	(1,022,150)	
<u>Housing, Communities & Environment</u>				
Community Services	36,389	(25,258)	(61,647)	The favourable movement at quarter 3 is mainly due to the allocation of grant funding; all expenditure incurred is offset by the refugee resettlement programme grants. There are savings from depot expenses and employee expenditure costs, which is not expected to be recharged.
Environmental Services	(178,012)	(260,897)	(82,885)	Furthermore, a saving has been realised from a combination of vehicle hire and vehicle operations budgets, aligned with current and projected expenditure levels.
Housing Services	71,674	(25,687)	(97,361)	There are staffing savings and a reduction in the agency forecast from quarter 2 following a review and reduction of agency end dates.
	(69,949)	(311,842)	(241,893)	
<u>Democracy, Law & People</u>				
Legal Services & Information Governance	(0)	(132,941)	(132,941)	Following a review of the joint working arrangements with WBC and the revised expected cost to GBC, the forecast has been updated to reflect this new information.
Democratic Services & Elections	11,093	(622,982)	(634,075)	The favourable variance across these services relate to a Corporate & Democratic Core charge from Democracy to the HRA that has not been budgeted for. This is a yearly charge and has been rectified for 2026-27.
HR Services	(822)	139,278	140,100	The adverse variance relates to a central recharges budget that is no longer charged. This has been rectified for 2026-27. Additionally, following a review of the joint working arrangements with WBC and the revised expected cost to GBC, the forecast has been updated to reflect this new information.
	10,271	(616,646)	(626,916)	
<u>Strategy & Corporate Services</u>				
	(163,361)	(298,770)	(135,409)	The favourable variance mainly relates to staffing savings across teams, new predictions for the start of the Joint Team, which had previously been forecast to start mid way through 2025-26 as well as agency savings.
<u>Directorates Total</u>				
	(210,855)	(1,163,183)	(952,329)	
<u>Housing Revenue Account</u>				
	1,903,795	1,333,505	(570,290)	The adverse variance on the HRA is mainly due to asset maintenance costs over budget for which the budget was based on 2024-25 actual spend. The favourable movement from quarter 2 relates to a comprehensive review of all budgets by the Head of Housing and finance officers following posts being recruited by permanent / agency staff to meet demands and bringing the service into a stable position.