

## APPENDIX 2

### Directorates Variances Summary

*Variances and movements greater than £50,000*

<u>Directorate</u>	Period 4 Variance £	Period 5 Variance £	Movement	Main Variances Explanation
<u>Finance &amp; Resources</u>				
Assets and Property	86,456	86,456	0	The adverse variance mainly relates to a reduction in income from a tenant entering administration as well as unbudgeted higher Business Rates. The latter will be amended for next year.
Commercial Services	690,433	426,212	(264,221)	Within Off-Street parking there is a forecasted reduction in parking income. The favourable movement from Period 4 relates to a further review of car park income and fees.
Finance	324,056	299,024	(25,032)	The adverse position is mainly due to an analysis of agency spend and predictions on recruitment within the Procurement team for the year. Savings from vacant posts within the establishment have supported some of the additional expenditure expected, however, the job market is weighed towards costly consultant hires, which has hindered the permanent recruitment drive and suitable candidates
	<b>1,100,945</b>	<b>811,692</b>	<b>(289,253)</b>	
<u>Economy, Planning and Place</u>				
Communication & Customer Services	(17,693)	(17,693)	0	
Planning	(111,722)	(111,722)	0	The favourable position for period 5 relates to staffing vacancies within Development Management and Planning Policy. Both services are in the process of recruiting to these roles.
Regeneration & Economic Development	(85,000)	(85,000)	0	There is a favourable variance due to the absence of a dedicated team at present. However, expenditure is forecast during the financial year to support initiatives such as the town-centre public art programme. In addition, an allowance was included in the 2025/26 budget to cover costs associated with two developments. There is an underspend associated with these project and will be used to cover certain project costs that cannot be capitalised.
Regulatory Services	(102,706)	(102,706)	0	Underspend mainly relate to staffing vacancies.
	<b>(317,121)</b>	<b>(317,121)</b>	<b>0</b>	
<u>Housing, Communities &amp; Environment</u>				
Community Services	23,444	12,367	(11,076)	
Environmental Services	(370,875)	(342,554)	28,320	The favourable movement is mainly attributed to the contribution to the SEP (Surrey Environment Partnership). The projection is based on the previous year's actuals and includes a contingency for anticipated additional fees, resulting in expected savings.
Housing Services	43,417	43,417	0	
	<b>(304,014)</b>	<b>(286,769)</b>	<b>17,244</b>	
<u>Democracy, Law &amp; People</u>				
Legal Services & Information Governance	29,233	29,233	0	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	11,093	0	
HR Services	(822)	(822)	0	
	<b>39,504</b>	<b>39,504</b>	<b>0</b>	
<u>Strategy &amp; Corporate Services</u>	<b>(163,361)</b>	<b>(163,361)</b>	<b>0</b>	The consultancy budget is not expected to be used in full this year resulting in a saving of £71k. In addition, there is a favourable variance movement of 84.6k due to the estimated start dates for various roles.
<b>Directorates Total</b>	<b>355,953</b>	<b>83,944</b>	<b>(272,009)</b>	
<u>Housing Revenue Account</u>	<b>1,990,127</b>	<b>1,990,127</b>	<b>0</b>	The adverse variance and movement is mainly due to agency costs being forecasted to contract end date following a review of all staffing costs. In addition, the asset maintenance costs budget has been based on previous year spend. For 2025-26, the repairs forecast is based on the current run rate at 965k A. This adverse variance will increase as additional costs are charged. Work is ongoing to assess the overall yearly impact of these increases.