

### KEY VARIANCES FROM THE 2015/16 ORIGINAL BUDGET

#### Customer and Community Services:

An increased customer base in Commercial Waste has resulted in anticipated additional income of £67k in 2015/16.

The contribution from Hertfordshire County Council linked to Recycling (Alternate Financial Model – AFM) is expected to be lower than budget by £60k.

Following the community right to challenge the management fee to Bishops Stortford Town council for running the Market will exceed the approved budget by £47k.

Following the sale of the lease for Bircherley Green Car Park in Hertford at the end of March 2015, the Council is no longer responsible for the running of the car park. Therefore a net overspend of £126k is reported mainly due to lost income.

Use of the RingGo pay by phone service in the pay and display car parks is expected to increase by 30% in 2015/16. The cost to the motorist of using this council are passed on to the Council, an additional cost of £14k is predicted.

The consultation for Bishop's Stortford Parking Futures has been expanded in agreement with the Portfolio holder, with additional costs of £7k in 2015/16.

Sawbridgeworth and Buntingford town Councils will no longer be subsidising Pay and Display parking, resulting in a £25k reduction in income. As approved by Executive on 8<sup>th</sup> June 2015, this is to be funded through use of the New Homes Bonus Priority Spend budget.

A rent review of the Causeway car park in Bishop's Stortford has been completed, this will increase the rental cost to the Council by £58k per year. This is currently being managed as a pressure within the service.

Penalty Charge Notice income will be £13k higher than previously reported, due to improved collection rates.

The cost of printing pay and display tickets will be £8k below 2015/16 budget due to a better price being negotiated with the suppliers.

## ESSENTIAL REFERENCE PAPER C

### Neighbourhood Services:

It is expected that an element of the 2015/16 local plan expenditure in the Planning Policy service will slip into 2016/17, although the amount is still uncertain at this stage of the financial year. This is funded through the Local Development Framework reserve therefore there will be a reduction in the amount drawn down in 2015/16.

£30k additional income is anticipated in the Development Management Service from pre application fees to be received in February 2016 in relation to the Bishop's Stortford Goods Yard Site. This will be offset by increased agency staff costs as detailed above.

An additional £19k of S106 income is anticipated in Development Management.

A contribution towards Public Health promotions of £100k has been received from Herts County Council. As agreed at Council on 18 February 2015 match funding of £100k from East Herts will be used to support this project funded from the New Homes Bonus priority fund.

The second receipt of £100k from Herts County Council as a contribution towards Public Health promotions will be in January 2016. This will be transferred to reserves as expenditure is programmed in 2016/17.

The budget for PCSO's (Police Community Support Officers) will overspend by £19k as 4 posts are being funded rather than the budgeted 3. Additional funding has been received reducing this overspend by £11k to £8k.

The appeals expenditure budget in Development Management is expected to be £40k above budget. This is due to the use of consultants at Public Inquiry to present the Council's case and the instruction from the Executive for all major residential schemes submitted from July onwards to be subject to rigorous financial assessment.

The 2015/16 budget for Planning Application fees was increased in line with historic trends. Whilst the volume of planning applications received to 31<sup>st</sup> August is consistent with previous years the size of these are small in financial value. An under achievement in income of £189k is currently forecast.

## ESSENTIAL REFERENCE PAPER C

Based on current trends the Building Control income received from Safestyle will be £40k lower than budget, due to a lower number of applications than expected.

A underspend of £32k on rent deposits is reported. This is due to private landlords being unwilling to accept homeless tenants in a buoyant rental market.

### **Finance and Support Services:**

The housing association lease at Charrington's House has expired and will not be renewed therefore there will be a shortfall in income of £41k in 2015/16. This is currently being managed as a pressure within the service whilst alternative tenants are identified.

External Audit fees are anticipated to be £30k lower than budget, due to a new External Auditor, EY, being appointed from 2015/16 with a lower fee agreed by PSAA (Public Sector Audit Appointments).

Worldpay transaction charges are forecast to be higher than budget, although this is offset by savings from bank charges, resulting in a £12k overspend. This is further offset by treasury management fees which are £5k lower than budget.

The purchase of the Old River Lane site in Bishop's Stortford will lead to a net increase in revenue in 2015/16. This is currently forecast to result in additional net income of £427k this financial year.

A collective action (APPS) was bought against the Council by Property Search Companies relating to a dispute on the terms by which the Council provided property search information. The settlement sum due to be paid is anticipated to be no greater than £188k. A Government Grant of £110k has been received to partially offset this. The balance of £78k will be funded through the General Reserve.