

## ESSENTIAL REFERENCE PAPER C

### KEY VARIANCES FROM THE 2016/17 ORIGINAL BUDGET

#### **Strategic Finance & Property:**

Following the senior management restructure the salary budget has been aligned with the new structure resulting in a £177k predicted underspend.

Redundancies in Communications, Strategy and Policy of £133k are shown against the corporate budgets in Strategic Finance these will be funded from the salary underspend mentioned above.

The Council is replacing its financial management system, consultants have been bought in to provide guidance and assistance. This will cost £39k in 2016/17 and will be funded through use of the Transformation reserve.

Consultation costs for the Bishops Stortford town centre planning framework are £95k in 2016/17. This will be funded through use of the priority spend reserve.

The management fees for the property funds that the Council has invested in are lower than budgeted, resulting in a £50k underspend in 2016/17. This is a saving item on the MTFP for future years.

The budget for the office space that the Council uses at Charringtons House is forecast to be overspent by £52k as part of the office space is no longer sublet to Circle Anglia Housing Association.

An overspend of £43k is anticipated in respect of the rent that the Council receives as landlord of Charringtons House due to office space remaining vacant for longer than expected.

#### **Housing and Health:**

An underspend of £169k is reported against the Environmental Health Promotion budget. Part of this budget is funded by a contribution from HCC and part from EHC, the profile of this expenditure has altered from when the budget was set in February 2016 resulting in an underspend in 2016/17.

The total fee for Pole hole site works has increased, this is due to the requirements of additional equipment at the site as ground conditions were worse than originally anticipated and an increase in time taken for

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works to be carried out. This has resulted in a £35k cost in 2016/17.

### **Democratic & Legal:**

There are increased salary costs of £70k in Democratic and Legal Services due to the use of agency staff, staff appointment expenses, overtime payments and redundancy costs.

Income from land charges is expected to be £33k below the 2016/17 budget due to less activity in the housing market.

### **Planning & Building Control:**

An overspend of agency staff costs of £163k in Development management are partially offset by a £50k underspend against the salary budget and £31k additional income

### **Operations:**

It is anticipated that pay and display income from car parks will be 5% above the 2016/17 budget, resulting in an additional £143k of income. This is due to car park usage being greater than assumed when the budget was set. This increase in income is in line with the 2015/16 outturn position

Consultants have been engaged to carry out an off street parking need survey, to identify future parking provision requirements in the district. This is estimated to cost £33k and is to be funded through the additional pay and display income as per the paragraph above.

It is anticipated that £70k less income will be distributed to EHC from HCC in 2016/17 with regards to the Alternate Financial Model (AFM) which allocates funding to the districts across Hertfordshire based on the level of waste diverted from landfill. This is a complex formula based on the levels of waste recycled and sent to landfill at East Herts and the other districts, which results in variations from the budget.

A change to the disposal of dry recyclable materials resulting in a gate fee being charged rather than income being generated is expected to lead to an overspend of £74k in 2016/17

### **Shared Revenues & Benefits:**

An increase in the summons costs recovered of £77k is reported. This is in line with the outturn position for 2015/16 and is reflected in the changes to the MTFP for 2017/18.