

## Summary of significant variances

<b>Budget area</b>	<b>2022/23 budget £000</b>	<b>Forecast outturn £000</b>	<b>Variance £000</b>	<b>Reason for variance</b>
Staffing costs – Staff pay award 2022/23	333	645	312	The original budget assumption was a pay offer of 3%. The estimated additional cost of the pay award for 2022/23 is based on the final employer offer of £1,925 to every pay point. This offer is currently under consideration by the unions.
Planning service – staffing costs	2,274	2,395	121	A national shortage in planning staff has adversely impacted on recruiting to vacant posts, these are being filled by agency staff which attracts a higher cost.
Operations – Refuse & Street Cleansing contract. Inflationary pressure	160	463	303	The original budget for inflation in respect of the Refuse & Street Cleansing contract was 4%. The actual inflation to be added to the contract costs is 9.91%.
Operations – Alternate Financial Model (AFM) contribution from HCC	0	-300	-300	An early projection from the County Council on the level of income that East Herts may receive as part of the calculation for diverting waste from landfill, the calculation is based on tonnages for all districts and can therefore vary significantly. In recent years East Herts have received very small amounts and no longer budget for this income.

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Operations – Income from Joint Use pools	-265	-343	-78	Additional income forecast to be received from Joint Use Pools due to services returning to pre-covid levels
Operations – Parks & Open spaces. Additional income	-338	-374	-36	Additional contract costs have resulted in a higher recharge to Hertfordshire County council for services that the parks and open spaces team carry out on their behalf.
Revenues & Benefits – retained costs. Grant income	-50	-88	-38	Additional grant income forecast to be received from central government to support schemes introduced in year.
Corporate budgets – interest payments	459	546	87	Interest costs on the Councils borrowing are higher than budgeted due to increasing interest rates.
Corporate budgets – Interest & investment income	-750	-1,051	-301	At the time of setting the MTFP no allowance was made for an increase in interest rates. Following the recent rises in interest rates and a forecast higher than expected return on the property funds a surplus is forecast.
Contributions to reserves	438	652	214	In line with the reserves policy the net additional interest and investment income is to be transferred to the Interest Equalisation Reserve.
<b>Total</b>	<b>2,261</b>	<b>2,545</b>	<b>284</b>	
Other minor balances	9,265	9,210	-55	

<b>Overall total</b>	<b>11,526</b>	<b>11,755</b>	<b>229</b>	
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