

Summary of significant variances

Budget area	2022/23 budget £000	Forecast outturn £000	Variance £000	Reason for variance
Planning service – staffing costs	2,274	2,462	188	A national shortage in planning staff has adversely impacted on recruiting to vacant posts which are being filled by agency staff which attracts a higher cost. A new recruitment campaign strategy has been devised to launch in Q4.
CSP – Policy and consultation. Salary underspends	154	111	-43	Underspend in salaries due to vacant post. These are for two part time posts in policy and project management that will be deleted at the end of the year to contribute towards transformation savings
Human Resources – Salary overspend	434	460	26	Use of agency staff to cover Head of HR role
Operations – Refuse & Street Cleansing contract. Inflationary pressure	160	463	303	Inflation in respect of the Refuse & Street Cleansing contract, Grounds Maintenance Contract and Parking Contract was above the 4% inflation budget provision.
Operations – Waste Alternate Financial	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

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Model (AFM) contribution from HCC				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. HCC will no longer operate the AFM from 2023/24 as part of their budget savings.
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	-368	-30	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.
Operations – Car parking. Reduction in income	-409	-131	278	Reduction in income from Northgate end car park as the usage has been below budget expectations. It is unlikely to receive the budgeted income amount until the completion of the ORL redevelopment.
Strategic Finance and Property – Reduction in rental income	-360	-316	44	Reduction in rental income from Charringtons House due to leases expiring in February and tenants vacating space.

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Strategic Finance and Property – Service charge costs	50	102	52	Increase in void service charge costs for Charringtons House. Once building is empty services will be disconnected and managing agent discharged.
Corporate budgets – interest payments	459	480	21	Interest costs on the Councils borrowing are higher than budgeted due to increasing interest rates. This has reduced by £66k from the Q1 forecast due to slippage in the capital programme reducing the need to borrow and by using short term borrowing from the money markets.
Corporate budgets – Interest & investment income	-750	-1,140	-390	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 additional investment income of 390k is forecast.
Contributions to reserves	438	659	221	In line with the existing reserves policy the net additional interest and investment income is to be transferred to the Interest Equalisation Reserve.
Total	1,847	2,139	292	
Other minor balances	9,679	9,579	-100	
Overall total	11,526	11,718	192	