

Summary of significant variances – Qtr 1 2023/24

Budget area	2023/24 budget £000	Forecast outturn £000	Variance £000	Reason for variance
Planning service – staffing costs	2,209	2,609	400	<p>Planning is currently forecasting to be £400k overspent at year end. At present this is due to the following:</p> <ul style="list-style-type: none"> - Decrease in planning applications as a result of rising construction costs and overall cost of living crisis. - Ongoing recruitment difficulties which has meant that the service continues to use consultants to assist with the workload and planning application backlog. <p>In terms of mitigation, planning fees are due to be increased by 35% for major applications and 25% for all other applications. Draft regulations to introduce these fee increases were laid on 20 July and need to receive parliamentary approval before coming into effect.</p> <p>A recruitment and retention strategy is in place and there is a rolling programme of recruitment. A number of posts have already been filled and it is anticipated that more will be filled in the Autumn/Winter.</p>
NNDR	1,313	1,532	218	<p>The business rates bills that the council has received in respect of its premises are £218k over budget, this is due to valuations on the properties set by the Valuation Office. Officers are in the process of appealing the valuations.</p>

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Operations – Car parking. Reduction in income	(401)	(171)	230	Reduction in income from Northgate end car park as the usage has not been as initially expected. It is unlikely to receive the budgeted income amount until the completion of the ORL redevelopment.
Corporate– contract inflation	741	631	(110)	Contract inflation for the waste contract has been confirmed at 3.68%, this is lower than budgeted and has resulted in a £110k underspend.
Parks & Opens Spaces	1,551	1,430	(121)	Increased income of £121k is forecast against the parks and opens spaces budgets, this is due to S106 contributions to cover the ongoing maintenance cost of facilities and renegotiation of rates charged in respect of agency arrangements with Herts County Council.
Interest payments	1,179	1,479	290	Due to increased bank of England base rate interest on the Councils borrowing is higher than budgeted. Officers are working hard to secure rates in advance of need that are on average 1% below the rates on deals of the day.
Investment income	(1,000)	(1,146)	(146)	Interest that the Council receives on its investments is also above budget due to the high interest rates.
Total	5,592	6,364	762	
Other minor balances	6,521	6,152	(369)	
Overall total	12,113	12,516	403	

