

Summary of significant variances – Qtr 2 2023/24

Budget area	2023/24 budget £000	Forecast outturn £000	Variance £000	Reason for variance
Salary budgets	15,754	15,951	197	When the 2023/24 budget was set a 4% increase on salaries was budgeted for. Following negotiations, the National Joint Council for Local Government Services has agreed a flat rate of £1,925 for all spinal points to 43 and 3.88% for all spinal points above. This has resulted in a pressure on the budget of £197k.
Planning service – staffing costs & reduced planning income	2,209	2,580	371	<p>Planning is currently forecasting to be £371k 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>
Restructuring costs	0	179	179	Service restructuring under the Transformation programme has resulted in costs of £179k.
Leisure contract	(150)	(258)	(108)	Income received in respect of the contract with SLM has exceeded budget by £108k as a result of a reprofiling of the income.

Budget area	2023/24 budget £000	Forecast outturn £000	Variance £000	Reason for variance
Launchpad	(16)	65	81	The set up of the Launchpad at the new space in 1 Link road was planned to take place prior to 1 st April 2023, however work did not commence until the start of April, therefore the associated costs were paid in 2023/24. Whilst furniture and other materials were reused from Charrington's House the cost of electrical works, transport, decorating, and installation exceeded the business plan estimates. Income of around £150k was budgeted for the year based on the assumption that clients would move over and be paying from 1 st April. Due to the delays in opening the space some clients had to work from home until their offices or desks were ready. In order to keep them as Launchpad members and not risk losing them, discounts were offered with the result that for April and May very little income was received. Income is forecast to be in the region of £125k for the year.
Interest payments	979	1,400	421	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)	(1,428)	(428)	Interest that the Council receives on its investments is also above budget due to the high interest rates.
Total	17,776	18,489	713	
Other minor balances	(5,663)	(5,885)	(222)	
Overall total	12,113	12,604	491	