

Summary of significant variances – Qtr 3 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	2,663	454	<p>Planning is currently forecasting to be £4541k 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>
Use of planning reserves	0	(74)	(74)	Proposal to utilise £74k of planning grant held in reserves to offset overspends in planning service.
Restructuring costs	0	179	179	Service restructuring under the Transformation programme has resulted in costs of £179k.
Use of MTFP Transition funding reserve	0	(179)	(179)	Proposal to utilise £179k of reserve to fund one off restructuring costs incurred as a result of the Transformation programme.

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Charringtons House	0	327	327	Charringtons House was closed to tenants on 31 March 2023, the Council remains liable for costs in relation to Business rates and utilities. The metropolitan police have enquired about using the building to run police dog training.
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.
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)	(1,569)	(569)	Interest that the Council receives on its investments is also above budget due to the high interest rates.
Total	17,792	18,440	648	
Other minor balances	(5,679)	(6,107)	(428)	
Overall total	12,113	12,333	220	