

Appendix C - Summary of significant variances – Qtr. 3 2024/25

Budget area	2024/25 budget £000	Forecast outturn £000	Variance £000	Reason for variance and mitigating actions
VARIANCE AGAINST BASE OPERATIONAL BUDGETS				
NNDR	1,588	1,843	255	National Non-Domestic Rates bills for Multistorey car parks and Wallfields are significantly higher than budgeted due to the 2023 Business Rate Revaluation. The property team will engage agents to appeal the revaluation in an attempt to reduce the liability, however there is no guarantee of success.
Transformation, staff restructuring costs	0	160	160	Service restructuring under the Transformation programme has resulted in one-off costs of £160k.
Planning service – staffing costs & reduced planning income	2,238	2,549	311	<p>Planning is currently forecasting to be £311k overspent at year end. This is mainly due to a slight decrease in planning application income and ongoing recruitment difficulties.</p> <p>Whilst the number of planning applications submitted has been better compared to previous years, the pattern is still not stable and is directly linked to market factors such as high construction costs and overall cost of living. Planning application fees are set to increase from April 2025 and as a result there could be a number of applications submitted before the end of Q4 which will help reduce the pressure.</p> <p>In terms of recruitment, whilst the service has been successful since January 2023 in filling a number of planning vacancies, there remains a shortage of planners available at a principal level in development management to deal with the more complex planning applications. In order to mitigate this impact, the service has introduced a number of measures to support existing staff progress their careers and gain the necessary experience. However, this does mean that the use of agency planners is still required in the short term to assist with the more complex applications.</p>

BEAM	(548)	953	1,501	Overspend and under achievement of income against profiled budget. Main reasons include: delayed opening from May to August, NNDR estimate of £200k against budget of £30k, , delayed IT infrastructure /lack of Wi-Fi has meant using an overnight security company.
Charringtons House	0	333	333	Charringtons House was closed to tenants on 31 March 2023, the council remains liable for costs in relation to business rates and utilities.
Buntingford Depot	210	418	208	A rent review has been undertaken in respect of Buntingford Depot which has resulted in additional costs of £123k. and a reduction in income £85k
Miscellaneous assets, rent	(329)	(414)	(85)	Rent reviews have been undertaken on council owned assets which has resulted in rental income overachieving the budget.
Legal & Democratic Services	513	445	(68)	Underspend forecast against salary budget of £68k following restructure of Democratic Services team.
Housing & Health, salaries	2,252	2,053	(199)	Underspend on salaries due to vacant posts.
Housing Benefits	(370)	(737)	(367)	Budgets overstated for Housing Benefit subsidy and payments resulting in an underspend.
Strategic Finance	733	672	(61)	Underspend against salary budgets as a result of a vacant post
Parking	(1,115)	(1,373)	(258)	Projected over achievement of income.
UK shared prosperity fund	0	(42)	(42)	4% admin fee to be retained by East Herts, not budgeted for. This has been 'held back' to accommodate any last minute overspends in the UKSPF.
Waste Service	3,817	3,443	(374)	Waste services are forecasting an underspend against budgets this relates to: <ul style="list-style-type: none"> • contract inflation being lower than budgeted. • higher than budgeted income received for sales of recyclable materials

VARIANCE AGAINST SAVINGS TARGETS

Senior Management Restructure	(250)	(61)	189	
Ban on overtime payments	(200)	(36)	164	All overtime budgets have been removed and saving achieved for these lines. The £200k was an overestimate of the budgets to be removed. Overtime payments peaked in 22/23 totalling 157k. (130k of this was Revs and Bens, in 24/25 Revs and Bens is forecast to now be 4k. Included in the 24/25 Overtime spend is circa 18k that was paid as overtime but was funded by Revenue Receipts to cover these costs.
Avoidable contacts	(24)	0	24	Anticipated to make this saving in Q2 2025/26 by not replacing customer services staff due to CRM project.
Wallfields – renting out part of building	(117)	0	117	Savings built in with assumption of rent received from part way through the year, due to ongoing negotiations this date hasn't been achievable therefore the saving won't be achieved in full in 2024/25
Xeroboxes	(20)	0	20	Removal of xeroboxes from Wallfields to be implemented following upgrade of Wi-Fi
Procurement Act 2023 changes	(50)	0	50	Discussions underway with Stevenage Borough Council
Intranet	(28)	(7)	21	Work on replacing the hosted intranet underway, full saving to be realised in 2025/26. 4 months' worth of saving to be achieved in 2024/25
Advertising on Assets	(18)	0	18	An Invitation to Tender is going out on an ESPO framework on Friday 7 th February 2025 with the intention to award a contact mid-March ready for implementation 1 April.
Launchpad	0	15	15	Forecast income is for 2024/25 is £160k. Expenditure forecast is £175k. This includes all running costs (salaries, utilities, rates', marketing) and rental income to the council (£73,500 p/a)
Total	8,282	10,214	1,932	
Other minor balances	13,446	13,523	77	
Overall total	21,728	23,737	2,009	

