

Appendix B - Summary of Significant Variances - Quarter 2 2025-2026

Budget Area	2025-2026 Budget £ 000's	Forecast Outturn £ 000's	Variance £ 000's	Reason for Variance
Chief Exec & Corp Support Team	305	267	(37)	Minor Staffing Variances
Communities	2,253	2,666	413	
Strategic Property	1,163	1,567	404	Strategic property is reporting a pressure of £404k, of which £211k of this relates to Rapier House for the loss of rent £115k plus a £106k pressure for security costs and £14k on utilities, this is due to the temporary re-location of the grounds maintenance contractor from the Buntingford Depot as a result of the new Waste Contractor changes. There is also a £114k pressure on Northgate end flats, due to required security costs and council tax. In addition 14-16 Water Lane is currently void giving a £35k pressure on unachieved rent. There are also a range of other smaller pressures, including a salary pressure £21k in part due to sickness.
Housing Service	518	515	(3)	Although Housing is close to a balanced forecast, it is worth noting that Temporary Accommodation which is grant funded is running at a higher rate than last year with a current forecast spend of £847k, the prior year was £607k. There have also been some increased costs on Hostels however this still remains with budget.
Licensing & Enforcement	64	128	64	There is a £14k pressure on licence fees and £36k shortfall on a recharge for a staffing to another council where the arrangement is no longer active, a net 14k cost pressure on markets, plus a £14k pressure on agency workers due to vacancies.
Community & Well being Partnership	450	375	(76)	This is due staff vacancies that are being held.
Other Variances	58	81	23	minor variances
Centrally Managed Costs	760	692	(68)	
Legal Policy & Governance	5,062	5,120	58	
Improvement and Insight	292	354	62	An income target of £60k for staff recharges to other councils for project work which is no longer achievable in full for 2025-2026 as the arrangement has now finished
Legal Services	427	399	(28)	The underspend is due to a vacant planning solicitor and a trainee post. minor variances - Final "True Up" of contract costs are still being discussed North Herts District Council is leading on this.
Waste Services	3,312	3,321	9	Staffing pressure which is being supported the underspend on staffing in Legal services.
Democratic Services	944	982	38	minor variances
Other Variances	88	64	(24)	minor variances
Place	4,655	4,634	(20)	
Planning and Gilston Garden Town	2,357	2,181	(176)	There is a forecast overachievement of planning income of £99k plus a reduction in the previously forecast Gilston judicial review costs that are likely to land in the current year. However it is worth noting that there is still a large net pressure on staffing costs due to the use of agency. Whilst there has been successful recruitment in other areas of planning, the use of agency is due to a shortage of experienced planners at a principal level in Development Management. Recruitment continues in this area, but in the interim the work is covered by agency staff similar to the position at the end of 2024-2025.
Landcharges	(19)	37	56	Landcharge income is now showing a pressure based on performance to date. Uncertainty in the housing market is having an impact activity due to speculation of what the November budget will bring forth in relation to further tax changes, plus the dampening effect of the SDLT implemented last April.
Parks & Open Spaces	1,457	1,409	(48)	Forecast underspend on grounds maintenance budgets, and a reduction in grants paid by the Council.
Leisure Services	(888)	(748)	140	Pressure on the profit share budget target plus additional costs relating to vat agency advice £14k, unbudgeted NNDR of £30k relating to the Ward Freeman Pool, as this has yet to be transferred due to the Community Pool issue.
Environmental Health	1,062	1,058	(4)	Minor variances - staffing
Other Variances	685	698	12	Minor variances
Regeneration Customer & Commercial	(2,179)	(1,471)	708	
Carparking	(3,353)	(2,976)	376	Although the net movement for Parking is negligible from Q1, it should be noted that the parking income forecast has improved by £125k this has been netted down by a pressure from the car park cleansing contract from Veolia £54k increase for full year impact, a lesser pressure on PCN Income of £12k, NNDR / BID charges of £26k (Bishop Stortford) and signage costs expected for tariff changes of £29k. As reported in Q1 there is still a £210k pressure on NNDR across the 3 multi storey carparks plus a revised pressure of £165k for the cleansing contract.
Beam - Theatre	(200)	67	267	There is a pressure of £267k for the Theatre overall. This means the current forecast is that instead of making a £200k surplus for the year, BEAM will make a loss of £67k. An update on the overall position is being provided to Audit and Governance on the 26 th November and Q3 will be important quarter in terms of the panto and other shows which are expected to do well.
Customer Services	967	1,001	34	Agency for temps to cover garden waste administration as a result of the new waste service (Veolia) arrangements being instigated.
Comms & Digital Media	401	436	35	A net pressure due to agency costs covering the ORL project manager role.
Other Variances	6	1	(5)	minor variances
Finance, Risk Performance	5,165	4,923	(242)	
ICT Shared Service	2,971	2,830	(141)	ICT underspend on shared service due to staffing vacancies
Other Variances	2,194	2,094	(101)	Technical adjustments including the writing back of a bad debts as the account was settled and the provision is no longer required into the accounts
Total Variances	16,021	16,831	811	