

Appendix B - Summary of Significant Variances - Quarter 3 2025-2026

Budget Area	2025-26 Budget £ 000's	Q3 Forecast Outturn £ 000's	Variance £ 000's	Q2 Forecast Outturn £ 000's	
Chief Exec & Corp Support Team	305	276	(29)	267	The service shows a £8K adverse movement from Q2 - The variance to date relate to staffing
Communities	2,167	2,644	478	2,666	The service shows a £21K improvement from Q2
Strategic Property	1,163	1,603	440	1,567	Strategic Property is forecasting a £440k budget pressure. The main element of this relates to Rapier House, which accounts for £264k. This includes: 1. £115k in lost rental income, as the building is not generating rent during its current use. 2. £129k in security costs, which are required to ensure the site remains safe and compliant while it is being used for operational purposes by the grounds maintenance contractor. 3. £20k in utilities costs linked to the temporary relocation of the grounds maintenance contractor from the Buntingford Depot following the Waste Contract changes. There is also a £113k pressure at the Northgate End flats, driven by essential security and council tax costs while the properties are not in use. In addition, 14-16 Water Lane is currently vacant, resulting in a £35k shortfall in rental income. Mitigation: Rapier House rental income been removed from 26/27 budgets, remaining pressure will go, once the Ground Maintenance contractor moves out. Northgate End pressure will also go, once the sale of Northgate End happens
Housing Service	425	428	4	515	As at Q3 Housing is still 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	71	147	76	128	Licensing & Enforcement is reporting a budget pressure of £76k. The main elements contributing to this are: 1. £26k pressure on licence fees. 2. £36k shortfall because a staff recharge to another council has ended, so the income previously used to offset staffing costs is no longer received. 3. £18k cost pressure on Markets. 4. £14k pressure on agency staffing, which has been required to maintain service delivery while vacancies are being filled. Mitigation: the £36K budget has been removed from the 2026/27 proposed budget.
Community & Well being Partnerships	451	383	(68)	375	This is due staff vacancies that are being held.
Other Variances	58	83	25	81	Minor variances
Centrally Managed Costs	853	607	(247)	692	The service shows a £85k favourable movement from Q2, as a result of reduced cotreasury management costs
Legal Policy & Governance	5,062	5,035	(28)	5,120	The service shows a £85K improvement from Q2
Improvement and Insight	292	345	53	354	There is a £41k income target for staff recharges to other councils, but this can no longer be met as the arrangement has now ended. Mitigation: the £41K budget has been removed from the 2026/27 proposed budget.
Legal Services	427	352	(75)	399	The underspend arises from vacancy savings, partly reduced by pressure on court costs.
Waste Services	3,312	3,256	(56)	3,321	There are some small remaining variances while the final contract costs are being confirmed with Veolia, the new contractor. North Herts, as the lead authority, is still completing this process. The current forecast reflects our best estimate of the agreed costs and expected inflation.
Democratic Services	944	990	46	982	Staffing pressure which is being supported the underspend on staffing in Legal services.
Other Variances	88	91	3	64	minor variances
Place	4,655	4,791	136	4,634	The service shows a £156K adverse movement from Q2

Budget Area	2025-26 Budget £ 000's	Q3 Forecast Outturn £ 000's	Variance £ 000's	Q2 Forecast Outturn £ 000's	
Planning and Gliston Garden Town	2,308	2,397	89	2,181	The main pressure remains staffing. The combined cost of salaries and agency staff is creating a £535k pressure. This is down to difficulties in recruiting to certain key posts and the use of temporary staff to support the work. Recruitment to permanent roles has been challenging reflecting the national picture with a shortage of experienced planners. Further options are being reviewed to reduce agency use. There is also a new £26k cost for archaeological work recharged by Hertfordshire County Council The overall position is partly offset by the underspend on the Gilston project, where £589k of costs previously expected this year are now likely to fall into a future year. This significantly reduces the net impact of pressures elsewhere.
Land charges	(19)	40	59	37	Land charge income is showing a pressure based on performance to date. Uncertainty in the housing market is having an impact on activity due to speculation of what the November budget in relation to further tax changes, plus the dampening effect of the SDLT implemented last April.
Parks & Open Spaces	1,457	1,464	8	1,409	The Parks forecast has increased by £56k since Q2, which removes the previously reported underspend. The service is now showing a small overall pressure of £8k. This change is mainly due to a higher-than-expected amount of essential tree work needed to keep sites safe for the public. These costs are unavoidable and have been greater than originally anticipated. To help manage the position, spending on materials and equipment is being limited to what is strictly necessary for the rest of the year.
Leisure Services	(888)	(890)	(2)	(748)	The Q2 pressure of £140k has reduced by £142k in Q3. This improvement is mainly due to the new agency arrangements with Everyone Active, which have had a positive knock-on effect on the VAT position.
Environmental Health	1,062	1,044	(19)	1,058	Minor variances - staffing
Other Variances	734	735	1	698	Minor variances
Regeneration Customer & Commercial Services	(2,186)	(1,244)	942	(1,471)	The service shows a £227K adverse movement from Q2
Carparking	(3,353)	(2,955)	397	(2,976)	The Parking position has worsened by £21k since Q2, mainly due to additional property maintenance costs across the three towns. Despite this movement, the overall position remains very similar to what was previously reported. The two main cost pressures are unchanged: 1. £210k pressure from business rates on the three multi-storey car parks, and 2. £165k pressure relating to the cleansing contract. Parking income continues to perform well and is broadly on track to meet the £5.079m target for the year. Mitigation: The business rates pressure has been resolved in 2026/27 through the increase in budgets. There has also been a number of appeals submitted to the VOA for consideration.
Beam - Theatre	(200)	258	458	67	The Theatre is now forecasting a £458k pressure, which is an adverse movement of £191k since Q2. This means that instead of delivering the planned £200k surplus, BEAM is currently forecast to make a £258k loss for the year. This change reflects a combination of lower-than-expected ticket income across the Cinema and Theatre programmes, and the impact this has had on related income lines such as food and beverage sales. The catering offer also launched later than originally planned, which has reduced income in the early part of the year. Mitigation: A revised business plan will come to Members in 2026/27 for the theatre.
Customer Services	960	994	34	1,001	Minor staffing variances
Comms & Digital Media	401	458	57	436	A net pressure due to agency costs covering the ORL project.
Other Variances	6	1	(5)	1	minor variances
Finance, Risk Performance	5,165	4,819	(346)	4,923	
ICT Shared Service	2,971	2,851	(120)	2,830	The ICT shared service is reporting an underspend due to staffing vacancies. This underspend has reduced in Q3 by £21k, reflecting changes in the staffing position during the quarter.

Budget Area	2025-26 Budget £ 000's	Q3 Forecast Outurn £ 000's	Variance £ 000's	Q2 Forecast Outurn £ 000's	
Other Variances	2,194	1,968	(226)	2,094	Underspends against budget relates to release of provision held to mitigate overspends, in 2025/26 to be utilised to mitigate part of the overspend forecast at BEAM
Total Variances	16,021	16,927	906	16,831	