

Appendix B - Summary of Significant Variances - Quarter 4 2025-26

Budget Area	2025/26 Budget £ 000's	2025/26 Outturn £ 000's	Variance £ 000's	Reason for Variance	Q3 Forecast Outturn £ 000's
Chief Exec & Corp Support Team	305	288	(17)	Minor staffing variances	276
Communities	5,479	5,996	517		5,775
Community & Business Engagement	577	632	55	An over spend is reported against the Launchpad, this relates to rental income received being lower than budgeted and the cost pressures of running the service. This pressure will fall away in 2026/27 following the sale of the commercial unit at Limekiln.	584
Housing Service	426	383	(43)	The Housing service has come in on budget for 2025/26 with government grants utilised to meet the cost pressures of homelessness and temporary accommodation. A small (£43k) favourable variance is shown at the end of the year.	368
Property	1,163	1,587	424	The majority of the overspend in 2025/26 (£269k) relates to costs associated with accommodating the ground maintenance contractor in Rapier House. In 2026/27 the grounds maintenance contractor will be relocated and Rapier House will be let on a commercial basis. Expenditure of £125k was incurred on Limekiln flats, prior to disposal in March 2026. There will be no further expenditure in 2026/27.	1,567
Waste	3,313	3,394	81	The overspend in 2025/26 relates to one off costs associated with the migration to the new waste and recycling contract, these costs have been funded from reserves.	3,256
Centrally Managed costs	853	656	(197)		607
Legal, Policy & Governance	1,750	1,847	96		1,757
Improvement & Insight	292	413	120	Pressure is partially linked to lost income relating to staff recharges from other councils, which will no longer materialise (for 2026/27 this budget has been removed and will not be a pressure). Redundancies in the team have also contributed towards the overspend. These will be met from reserves in 2025/26	345
Legal Services	426	347	(79)	Variance linked to vacancy savings, partly reduced by court cost pressures.	352
Other Variances	1,032	1,087	55	Minor variances	1,060
Place	4,655	4,746	91		4,791
Planning and Gilston Garden Town	2,308	2,436	128	Whilst there is a relatively minor overspend on Planning, there continues to be a pressure on staffing costs due to difficulties in recruitment. This is mainly focussed in the Development Management Team where there is a shortage of experienced planners at a principal level and as a result agency staff are used to cover and support the work on the major planning applications. Netting off against the Agency pressure is a £495K underspend from the Gilston Area budget. These are not savings as the costs will likely be incurred in future years.	2,397
Parks & open Spaces	1,457	1,559	102	The Parks variance has worsened from the balanced position reported in Q3 to a £100K overspend. This adverse shift is mainly due to a higher than anticipated volume of essential tree works linked to the late billing of works. These costs are required to keep sites safe for the public and are unavoidable in nature. These additional costs have been funded from reserves in 2025/26. As mitigation against the cost pressures, spend on materials and equipment was being limited to only strictly necessary items towards the latter part of the year and non-essential works were scaled back.	1,464
Leisure	(888)	(959)	(71)	Leisure finished off the year £70K better than the Q3 position indicated as the Q3 forecast was based on the worst-case scenario around the swimming pool demobilisation, which turned out not to be the case.	(890)
Other Variances	1,778	1,710	(68)	Minor variances	1,820

Budget Area	2025/26	2025/26	Variance	Reason for Variance	Q3 Forecast
Regeneration, Customer & Commercial Services	(2,186)	(511)	1,675		(1,244)
Customer Services	960	1,030	70	Variances related to redundancy costs following a restructure at the management level and additional temporary staff taken on during the new waste contract roll out.	994
BEAM	(200)	964	1,164	<p>At Q3, BEAM was forecasting a £458K pressure which has significantly worsened to £1.17M at the year end. The £708K adverse movement is mainly due to the re-allocation of future year receipts which were not properly taken into account at Q3. The overall shortfall is as a result of much lower than anticipated income receipts across the Cinema (£283K shortfall), Theatre (£773K shortfall) and Hire (£46K shortfall) revenue streams, coupled with over-optimistic income targets. The catering offering was also launched later than planned, which had a knock-on effect on income receipts for the first half of the year.</p> <p>It had always been anticipated during the course of the year that the level of income generated would fall short of the £4.81M target set in the original business plan. That notwithstanding, BEAM also has significant fixed costs equating to £1.7M which serve as a major contributor to the pressure before any income has been generated.</p> <p>As mitigation, BEAM are preparing a revised business plan to be put forward to members in 2026/27.</p>	258
Parking	(3,353)	(3,005)	348	<p>The Parking shortfall is marginally more favourable than the position reported in Q3, with the 2 main cost pressures being:</p> <ol style="list-style-type: none"> £236K relating to business rates on the 3 multi-storey car parks £213K relating to the cleansing contract <p>As mitigation, the business rates budget has been increased in 26/27. There have also been a number of appeals submitted to the VOA for review.</p>	(2,955)
Other Variances	407	500	93	Minor variances	459
Finance, Risk & Performance	5,065	5,240	175		4,719
Shared IT service	2,971	2,907	(64)	ICT registered an underspend of £64K, linked to staffing vacancies.	2,851
Finance	2,094	2,333	239	There was an overspend against the budgets for housing benefits in year, this has been funded from reserves in 2025/26.	1,868
Capital Salaries	(164)	(98)	66	Lower use of capital funding towards salary costs in year.	(16)
Total Variances	15,757	18,165	2,407		16,665