

Appendix A - 2022/23 Significant Revenue Budget Variances

| Directorate | Significant Service Area Variances | Net Original Direct Budget | Net Direct Outturn | (Under) / Overspend | Summary Explanation | Relevant Report |
|---------------------------------|--|---|--------------------|---------------------|---|------------------------------|
| Managing Director | Treasury Investments Interest Income | (119) | (1,310) | (1,191) | Increase primarily due to the changes to the Bank of England base rate. Original budget based on bank rate of 0.25% at the start of 2022, increased incrementally to 4.25% by the end of the financial year. | Q1, Q2, Q3 & Outturn 2022/23 |
| | Covid-19 Central Provision | 1,740 | 0 | (1,740) | Contingency budget mitigated impact on General Fund of around £1.2m of Covid impacts identified, including the leisure, parking and AFM income shortfalls itemised below. Approximately £0.5m was not required. | Q1 & Q3 2022/23 |
| | Other budgets with variances under £100k | 1,801 | 1,560 | (241) | | |
| | Directorate Total | 3,422 | 250 | (3,172) | | |
| Customers Directorate | Customers Directorate Staffing Costs | 3,658 | 3,847 | 189 | The pay award for 2022/23 was an increase of £1,925 to every pay point. The assumption in the original budget for 2022/23 was a pay offer of 2%. | Q1 2022/23 |
| | Net Housing Benefit Expenditure | 324 | 479 | 155 | Shortfall in Housing Benefit subsidy income primarily due to housing benefit payments in respect of temporary accommodation not being eligible for full reimbursement through the subsidy. | Q1 & Outturn 2022/23 |
| | Housing Benefit Overpayments Income - Contribution to bad debt provision | 300 | 28 | (272) | Relatively lower levels of overpayments raised in recent years, combined with a higher proportion of debt successfully collected, have reduced total amount of debt outstanding. This has reduced the level of bad debt provision required at year end and hence reduced the contribution needed from the General Fund. | Outturn 2022/23 |
| | Careline Installation and Maintenance | 300 | 116 | (184) | The non-complex needs installation and maintenance service was brought in-house part way through the year, resulting in a saving compared to outsourced contract. | Outturn 2022/23 |
| | Other budgets with variances under £100k | (716) | (664) | 52 | | |
| | Directorate Total | 3,866 | 3,806 | (60) | | |
| Enterprise Directorate | Commercial Property Income | (1,335) | (1,471) | (136) | Conclusion in this financial year of two rent reviews that had been ongoing for some time. Outturn includes the back-rent due. | Q1 2022/23 |
| | Other budgets with variances under £100k | 1,187 | 1,173 | (14) | | |
| | Directorate Total | (148) | (298) | (150) | | |
| Legal & Community Directorate | Directorate Total (all budgets have variances under £100k) | 2,281 | 2,395 | 114 | | |
| Place Directorate | Domestic Waste & Recycling and Street Cleansing Contract Expenditure | 5,594 | 5,945 | 351 | The budget for 22/23 assumed a contract indexation of 3.7%, based on the respective indices at that time. Subsequent increase in inflation indices resulted in actual indexation rate for 22/23 of 9.9%. | Q1 2022/23 |
| | AFM Income | (421) | (125) | 296 | Greater levels of residual waste generated across Hertfordshire increased the overall costs of disposal incurred by HCC and reduced the total AFM amount shared with collection authorities. | Q1 2022/23 |
| | Leisure Centre Management Contracts Fee Income | (857) | (578) | 279 | Increase in income compared to prior year indicative of continued recovery in usage through the year. Additional income from growth in demand partly offset by cost pressures. | Q1, Q2 & Outturn 2022/23 |
| | Other budgets with variances under £100k | 404 | 362 | (42) | | |
| | Directorate Total | 4,720 | 5,604 | 884 | | |
| Regulatory Services Directorate | Supplementary Planning Documents | 167 | 0 | (167) | The new Local Plan was subject to significant delays before being adopted in November 2022. A programme of work for the supporting SPDs is now being prepared. | Month 8 2022/23 |
| | Planning Applications Income | (1,006) | (735) | 271 | Introduction of masterplanning procedures displaced pre-application income on large schemes. General slowdown in the construction sector as a result of economic uncertainty. | Q2 2022/23 |
| | Car Parking Fees Income | (1,999) | (1,761) | 238 | Income receipts at approximately 90% of the level observed prior to the Covid-19 pandemic. Plateau in recovery indicative of one or both of; a long-term shift to working from home; the increase in the cost-of-living deterring journeys into town centres for leisure activities and shopping. | Q1 2022/23 |
| | Car Parking Season Tickets Income | (320) | (183) | 137 | Income shortfall attributed to greater levels of home working adopted in response to the pandemic. | Q1 & Q3 2022/23 |
| | Other budgets with variances under £100k | 4,565 | 4,255 | (310) | | |
| | Directorate Total | 1,407 | 1,576 | 169 | | |
| | Resources Directorate | Directorate Total (all budgets have variances under £100k) | 2,650 | 2,485 | (165) | |
| OVERALL TOTAL | | 18,198 | 15,818 | (2,380) | | |