

Appendix A - Significant Revenue Budget Variances in 2023/24

Directorate	Significant Service Area Variances	Net Direct Budget at April 2023	Net Direct Outturn	(Under) / Overspend	Summary Explanation	Relevant Report
Managing Director	Treasury Investments Interest Income	(1,602)	(2,941)	(1,339)	Increase primarily due to the changes to the Bank of England base rate since the preparation of the income budget estimate in January 2023.	Q1, Q2 & Q3 2023/24
	External Audit Fees	65	166	101	Additional work required from External Auditors to meet regulatory and compliance audit requirements. Outturn is net of £21k grant received from central government to support authorities with additional audit fees.	Outturn 2023/24
	Covid-19 Central Provision	450	0	(450)	Contingency budget helped to mitigate impact of identified Covid-19 impacts, including the parking and AFM income shortfalls itemised below.	Q1 & Q2 2023/24
	Other variances under £100k	1,577	1,226	(351)		
	Directorate Total	490	(1,549)	(2,039)		
Customers Directorate	Customers Directorate Staffing Costs	3,942	3,788	(154)	Underspend results from various vacant posts due to difficulty in recruiting temporary and permanent staff in the MSU, IT Services and the Customer Service Centre.	Q2 & Q3 & Outturn 2023/24
	Contribution to Sundry Debtors Bad Debt Provision	10	110	100	Primarily due to the ageing of an outstanding commercial property debt, which increased the level of provision required to 75% of the amount raised.	Outturn 2023/24
	Housing Benefit Overpayments Income - Contribution to bad debt provision	50	326	276	Where working age Housing Benefit clients have migrated to Universal Credit (UC), the Council can no longer collect overpayments debt from deductions to ongoing housing benefit payments. This contributed to a reduction in overpayments debt collected during the year and an increase in the provision required.	Outturn 2023/24
	Careline Equipment	743	542	(201)	Significant increase in the refurbishment and reuse of returned alarms has reduced expenditure on new equipment.	Month 8 2023/24
	Other budgets with variances under £100k	(619)	(701)	(82)		
	Directorate Total	4,126	4,065	(61)		
Enterprise Directorate	Directorate Total (all budgets have variances under £100k)	54	53	(1)		
Legal & Community Directorate	Directorate Total (all budgets have variances under £100k)	2,869	2,835	(34)		
Place Directorate	Domestic Waste & Recycling and Street Cleansing Contract Expenditure	6,432	6,125	(307)	The budget assumed a contract indexation of 10%, based on the respective contractual indices at that time. Mainly due to subsequent decreases in the fuel price index, the final calculation resulted in an increase to contract prices of 3.5%.	Q1 2023/24
	Commingled recycling processing and haulage costs	401	514	113	The cost of processing and haulage had an inflationary uplift of 10% applied from May 2023, equating to an additional cost of around £100k. The impact was not mitigated by increases to sale prices obtained for materials.	Q2 2023/24
	AFM Income	(395)	(278)	117	Greater levels of residual waste generated across Hertfordshire since the onset of the Covid-19 pandemic has increased the overall costs of disposal incurred by HCC and reduced the total AFM amount shared with collection authorities.	Q1 2023/24
	Other budgets with variances under £100k	(172)	89	261		
	Directorate Total	6,266	6,450	184		

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Regulatory Services Directorate	Regulatory Services Directorate Staffing Costs	4,627	4,271	(356)	Grants received have been used to fund staffing costs, which has resulted in an underspend on existing staffing budgets.	Month 8 & Outturn 2023/24
	Housing Services Net Transfer to Earmarked Reserve	(151)	46	197	Underspend on Housing Services salaries budget, due to funding staffing costs from Homelessness Prevention Grant received, transferred to reserve to fund two Homelessness Advisor posts to March 2027	Month 8 2023/24
	Supplementary Planning Documents	167	23	(144)	Draft Sustainability SPD, prepared in-house, presented to Cabinet in December. Remaining Biodiversity SPD and Design Code SPD delayed due to staffing capacity issues and the need to wait for relevant legislation and Government guidance.	Q2, Month 8 & Outturn 2023/24
	Local Plan Review	118	9	(109)	Budget to support work on an early review of the Local Plan. The narrative supporting the budget bids identified that there maybe year-on-year underspends so carry forwards would be required to help mitigate or reduce further growth bids as the Plan reaches key points.	Q2, Month 8 & Q3 2023/24
	Town Centre Strategy	120	20	(100)	Progress on delivery was hindered by three unsuccessful attempts at recruiting a Town Centre planning officer. Retail consultants have been appointed on a six-month contract to prepare the necessary background evidence for the preparation of an overarching Town Centre Strategy.	Q2, Month 8 & Outturn 2023/24
	Planning Applications Income	(1,008)	(858)	150	Material reduction in the number of minor applications received, which is a national trend, likely to be the result of interest rate increases and increases in the cost of construction materials.	Month 8 2023/24
	Car Parking Penalty Charge Notice Income	(573)	(730)	(157)	Number of penalty charge notices issued exceeded the assumption in the budget, with the Civil Enforcement Officer team managing higher levels of traffic offences within and around the town centres.	Q2 & Q3 2023/24
	Car Parking Fees Income	(1,926)	(1,780)	146	Income receipts at approximately 90% of the level observed prior to the Covid-19 pandemic. Income shortfall may be in part a consequence of greater levels of homeworking, with the reduction in daily commuters also increasing the availability of free on-street parking	Q2 & Month 8 2023/24
	Car Parking Season Tickets Income	(325)	(173)	152	Income shortfall attributed to greater levels of home working adopted since the Covid-19 pandemic.	Q2 2023/24
	Other budgets with variances under £100k	1,215	1,069	(146)		
	Directorate Total	2,264	1,897	(367)		
Resources Directorate	Directorate Total (all budgets have variances under £100k)	2,929	2,743	(186)		
OVERALL TOTAL		18,998	16,494	(2,504)		