

Appendix A - Significant Revenue Budget Variances in 2025/26

Directorate	Significant Service Area Variances	Net Direct Budget at April 2024	Net Direct Outturn	(Under) / Overspend	Summary Explanation	Relevant Report
Chief Executive	Chief Executive Staffing Costs	250	256	6		
	Capital Financing - Minimum Revenue Provision (MRP)	402	0	(402)	No MRP charge required in this financial year as there was no capital expenditure in 2024/25 that required funding through borrowing. MRP charges occur in the year after the Council needs to fund capital expenditure from borrowing.	Q3 2025/26
	Revenue savings from planned capital investments	(616)	0	616	Savings resulting from the delivery of planned capital schemes in 2024/25 were anticipated to materialise in 2025/26 when the original budget estimates for 2024/25 onwards were approved by Council in February 2024. These should have been removed as part of setting 2025/26 budget.	Q1 2025/26
	Treasury Investments Interest Income	(825)	(2,080)	(1,255)	Significantly higher cash balances available for investment than anticipated due to the reprofiling of planned capital investments. Plus interest rates remained higher than budgeted.	Q1, Q2 & Outturn 2025/26
	Other budgets with variances under £100k	1,474	1,490	16		
	Directorate Total	685	(334)	(1,019)		
Customers Directorate	Customers Directorate Staffing Costs	5,952	5,916	(36)		
	Other budgets with variances under £100k	(1,800)	(2,007)	(207)		
	Directorate Total	4,152	3,909	(243)		
Enterprise Directorate	Enterprise Directorate Staffing Costs	1,847	1,812	(35)		
	Churchgate Regeneration Project – Consultants Expenditure	36	205	169	To complete the due diligence required to progress with this project, relevant consultants have been appointed to support the work involved. Part of the outturn has been funded from surplus rent income collected and the balance remaining in the Churchgate Regeneration Project earmarked reserve.	Q3 2025/26
	Other budgets with variances under £100k	(729)	(926)	(197)		
	Directorate Total	1,154	1,091	(63)		
Environment Directorate	Environment Directorate Staffing Costs	1,487	1,381	(106)	Underspend on staffing results mainly from turnover in staff in Waste Services, with recruitment to new posts delayed by focus on delivery of new waste contract.	Q2 & Outturn 2025/26
	Leisure Centre Management Contract Income	(1,053)	(321)	732	The leisure centres decarbonisation project required some closures across all three sites during the works, meaning a reduction in the management fee receivable under the terms of the contract.	Q1 2025/26 & Outturn 2025/26
	Waste and Street Cleansing Contract Expenditure	7,046	6,943	(103)	Underspend due to lower levels of contract variation orders undertaken by the contractor than forecast, with demand for these activities not materialising as anticipated. This is typical for the first year of a new contract, where estimates are based on historic data and prudent assumptions.	Outturn 2025/26
	Income from sale of fibre (paper and cardboard) collected for recycling	(85)	(194)	(109)	Since the domestic waste and recycling service changes were implemented in August 2025, paper and cardboard have been collected together as a single fibre recycling stream. While the grade of the material collected is lower than a paper-only stream, with this reflected in a lower sale price per ton, the additional tonnage collected has more than offset this.	Q3 2025/26
	Other budgets with variances under £100k	327	154	(173)		
	Directorate Total	7,722	7,963	241		
Governance Directorate	Governance Directorate Staffing Costs	1,658	1,722	64		
	Other budgets with variances under £100k	829	858	29		
	Directorate Total	2,487	2,580	93		

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Place Directorate	Place Directorate Staffing Costs	3,732	3,481	(251)	Underspend due to various vacancies within the Place Directorate during the year	Q1, Q2 & Outturn 2025/26
	Local Plan Review and Development	343	49	(294)	Several evidence-based projects, including the viability study, employment needs assessment, strategic flood risk and strategic housing market assessment initially planned for completion in this financial year have taken longer to procure than anticipated and will now be completed in 2026/27. The unspent budget has been carried forward.	Q1 & Q2 2025/26
	Local Plan Development - Government Grant Income	0	(108)	(108)	New Local Plan regulations have come into effect that set out a new plan making system. Government grant funding has been successfully applied for, with North Herts committing to bringing forward early a Local Plan through the new system.	Outturn 2025/26
	Local Plan Development - Government Grant Income - Transfer to Earmarked Reserve	0	108	108	Requested that the grant amount is transferred to reserve to be drawn down in future years as the development of the Local Plan progresses.	Outturn 2025/26
	Supplementary Planning Documents (SPDs)	122	25	(97)	Work has progressed on the Design Code SPD. Additional staffing resource has been provided through a 1-year fixed term contract post that will extend into the new financial year. Unspent budget carried forward to fund the costs of the post falling in the next financial year and the work associated with the finalisation of this project as a web-based resource (anticipated in Summer 2026).	Q2 2025/26
	Transport Policy Projects Expenditure	124	3	(121)	Officers have been working together with Hertfordshire County Council to prioritise projects that can be taken forward as part of the Sustainable Travel Town Programme. Work will continue in the next financial year.	Q3 2025/26 & Outturn 2025/26
	Development Control - Legal and Consultants Expenditure	0	114	114	Barrister and consultants' fees were incurred in defending the Council's decision at public inquiries held in respect of Wandon End Solar Farm, the Land at Rhee Spring, and proposed dwellings at Barkway Road, Royston, following the refusal of planning permission at each site by the Council's Planning Control Committee. In each case the decision was contrary to officer recommendation.	Q1 2025/26 & Outturn 2025/26
	Planning Fees Income	(1,222)	(1,353)	(131)	The government increased statutory planning fees from the 1st April 2025. The majority were increased in line with general inflation (1.7% as measured by the Consumer Price Index at September 2024), however some householder application fees were doubled. Changes made to the Planning fees structure also encouraged pre-application engagement	Q2 2025/26
	Planning Fees Income - Transfer to Earmarked Reserve	39	139	100	It was requested that half of the additional Planning Applications fees income be transferred to the Planning earmarked reserve to fund further investment in the service, as the letter from the Ministry for Housing, Communities and Local Government stated that the fee increase should be used to both alleviate revenue pressures and invest in the planning service.	Q2 2025/26
	Car Parking PCN Income	(573)	(927)	(354)	Lower level of turnover of Civil Enforcement Officers in the parking team in 2025/26 has meant more staff patrolling across the District to ensure motorists are parking safely and in compliance with the relevant highway restrictions.	Outturn 2025/26
	Car Parking PCN Income – Contribution to bad debt provision	162	372	210	Higher levels of PCN activity over the last several years has contributed to the increase in the calculated contribution required to the bad debt provision.	Outturn 2025/26
	Other budgets with variances under £100k	(942)	(1,221)	(279)		
	Directorate Total		1,785	682	(1,103)	

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Regulatory Directorate	Regulatory Directorate Staffing Costs	3,370	2,705	(665)	£537k of underspend follows the application of ringfenced homelessness grant to fund salary costs, instead of base budget provision. Due to staffing pressures in the first half of the year, the recruitment to the four-year Environmental Health Apprenticeship post will now take place in 2026/27, in time to start the dedicated course from September 2026, with the unspent budget of £100k carried forward.	Q1 & Q2 & Outturn 2025/26
	Transfer to Housing Services Earmarked Reserve	(114)	422	536	Transfer to earmarked reserve of unspent salary budget due to grant funding makes resource available for various multi-year schemes to help local people in housing need in future years.	Outturn 2025/26
	Housing Services Government Grant Income	(125)	(520)	(395)	Asylum Dispersal Grant awarded by the Home Office to support the Council with the financial impact arising from asylum seeker accommodation within North Hertfordshire.	Outturn 2025/26
	Other budgets with variances under £100k	(346)	(444)	(98)		
	Directorate Total	2,785	2,163	(622)		
Resources Directorate	Resources Directorate Staffing Costs	2,905	2,817	(88)		
	Net Housing Benefit Expenditure	430	676	246	The 2021/22 Housing Benefit audit, only completed in this year, identified that there was insufficient evidence of rent agreements with benefit claimants placed in temporary accommodation for the Council to be eligible for the corresponding Housing Benefit subsidy it received in that year. This must be paid back to the DWP. Housing Services have since made changes to Housing Benefit claim forms.	Q3 2025/26
	Other budgets with variances under £100k	(182)	(147)	35		
	Directorate Total	3,153	3,346	193		
OVERALL TOTAL		23,923	21,400	(2,523)		