

## 2019/20 General Fund Revenue Significant Variance Analysis

<b>Commercial &amp; Operations</b>						
Service Area	Current Expenditure Budget (less Budget Carry Forwards) £	Current Income Budget £	Current Budget (less Budget Carry Forwards) £	2019/20 Outturn £	Variance to Current Budget £	2019/20 Outturn Variance %
Building Control	872,400	(794,750)	77,650	220,225	142,575	183.6%
Commercial & Operations	212,800	0	212,800	272,475	59,675	28.0%
Community Resilience	404,500	(38,400)	366,100	397,779	31,679	8.7%
Corporate Operations	3,567,930	(2,037,500)	1,530,430	1,980,571	450,141	29.4%
Environmental	1,100,100	(233,000)	867,100	731,126	(135,974)	(15.7%)
Licensing	136,950	(296,800)	(159,850)	(160,644)	(794)	(0.5%)
Street Scene	5,894,241	(1,779,041)	4,115,200	4,963,200	848,000	20.6%
<b>Total</b>	<b>12,188,921</b>	<b>(5,179,491)</b>	<b>7,009,430</b>	<b>8,404,732</b>	<b>1,395,302</b>	<b>19.9%</b>

<b>Explanation of Significant Variances</b>	<b>£'000</b>
<p><b>Corporate Operations</b></p> <p>Lease renewal at Council offices resulting in additional unbudgeted income of (£34k) Markets income was £49k lower than budget.</p> <ul style="list-style-type: none"> <li>- Stamford £29k – 90% capacity</li> <li>- Grantham £17k – 80% capacity</li> <li>- Bourne £3k – 80% capacity</li> </ul> <p>Business Rates- in year revaluations by the Valuation Office have resulted in a net refund of previous years' charges (£34k) Improvement works within parks of £43k will be funded by the Pocket Parks grant received in 2018/19.</p>	<b>24</b>
<p><b>Environmental</b></p> <p>Private Sector Housing Disabled Facilities Grants - specific costs incurred under this heading related to capitalisation of salaries (£74k) resulting in a revenue underspend. Two full time Environmental Health Officer posts were vacant in-year with one post being recruited in January 2020 and the other to be recruited in 2020/21 resulting in an in-year saving of (£36k). This has fully achieved the salary vacancy factor within the service area. The programme of flood prevention works for 2019/20 was lower than anticipated and did not require the use of specialist consultants resulting in a saving of (£27k). Fixed Penalty Notices issued were less than budgeted resulting in an income reduction</p>	<b>(126)</b>

of £36k. Car park enforcement was delivered in house from October 2019 which offset the cost of staffing across the enforcement service as a whole and represented a saving against the previous enforcement contract of (£22k) with (£3k) additional income over the budgeted amount being received from excess charge fines.

**Street Scene**

**(139)**

Refuse sacks - there has been no increase in the price of plastic and the use of cost-effective, fully recycled plastic refuse sacks has been trialled resulting in a saving of (£10k).

Additional income of (£26k) has been received for collection of bulky waste and the sale of wheelie bins for new properties.

Vehicle Repairs - A larger than anticipated number of vehicle repairs have been carried out externally due to the carrying of two vacancies in-year resulting in an overspend of £33k. By the end of 2019/20 four of the most costly to maintain vehicles had been replaced and following a review of the service additional capacity has been provided in the workshop for 2020/21 by filling the vacant posts and creating one additional post so the cost of external repairs is expected to fall in future years.

Green Waste Collection - Additional income of (£28k) has been received with 28,599 households renewing their subscription for 2019/20 and 1,007 new households joining the service throughout the year. 90.2% of these households made their payment online with 71.8% paying by direct debit.

Commercial Waste - The service continues to grow and increase the number of customers. The net position was budgeted at (£77k) but there is a variance of £50k as the outturn position is (£27k). It can be seen from the table below that net income has increased by £21k between 2018/19 and 2019/20.

Commercial Waste	2018/19 £'000	2019/20 £'000
Budgeted Income	(175)	(374)
Budgeted Expenditure	162	297
Budgeted Net position	(13)	(77)
Outturn Income	(112)	(203)
Outturn Expenditure	106	176
Outturn Net position	(6)	(27)

Food Waste Trial - has continued, with additional grant funding (£74k) received in 2019/20. This will be utilised to fund specific costs in 2020/21.

Street Scene - additional income of (£36k) has been received for amenities collection service which was not anticipated.

Pool cars - the capital scheme for a keyless entry system is no longer proceeding. The in-year revenue budget of (£26k) has therefore not been spent in 2019/20 and has contributed to the overall position of the service area.

Fuel prices have fallen from an average of £1.034 per litre in 2018/19 to £1.008 per litre in 2019/20 resulting in an under spend of (£22k). This will be transferred to the waste and recycling reserve.

**Pension Costs**

**1,337**

Pension costs for accounting entry IAS19 are included within the Directorate These have been removed at line 6 in table 3.

<b>Asset Revaluations</b>	<b>172</b>
Accounting entries for asset revaluations are included within the Directorate. These have been removed at line 6 in table 3.	
<b>Revenue Expenditure Financed from Capital under Statute (REFCUS)</b>	<b>(196)</b>
Accounting entries for Disabled Facilities Grant are included within the Directorate. These have been removed at line 6 in table 3.	
<b>Depreciation</b>	<b>319</b>
Additional depreciation totalling £319k is within the directorate and removed at line 10 at table 3 as this is a non-cash item.	
<b>Total</b>	<b>1,391</b>

<b>Growth</b>						
Service Area	Current Expenditure Budget (less Budget Carry Forwards)	Current Income Budget	Current Budget (less Budget Carry Forwards)	2019/20 Outturn	Variance to Current Budget	2019/20 Outturn Variance
	£	£	£	£	£	%
Arts Centres	2,452,550	(1,166,750)	1,285,800	1,596,792	310,992	24.2%
Deliver SK	218,000	0	218,000	218,546	546	0.3%
Development Management	1,161,785	(1,407,100)	(245,315)	230,567	475,882	194.0%
Growth Management	349,350	(20,000)	329,350	566,701	237,351	72.1%
Housing	834,165	(310,250)	523,915	645,442	121,527	23.2%
Invest SK	1,714,750	(303,200)	1,411,550	1,195,336	(216,214)	(15.3%)
Leisure Centres	2,368,650	(147,150)	2,221,500	2,477,394	255,894	11.5%
Planning Policy	486,700	(40,000)	446,700	526,007	79,307	17.8%
Property Development	1,239,900	(1,189,650)	50,250	1,559,564	1,509,314	3,003.6%
<b>Total</b>	<b>10,825,850</b>	<b>(4,584,100)</b>	<b>6,241,750</b>	<b>9,016,349</b>	<b>2,774,599</b>	<b>44.5%</b>

<b>Explanation of Significant Variances</b>	<b>£'000</b>
<b>Arts Centres</b>	<b>40</b>
Stamford - Income levels have been reduced by £37k which have partially been mitigated by (£15k) by reviewing anticipated expenditure of other budget lines up to 31 March 2020. Net impact of £22k.	
Guildhall -The budgeted level of income from room hire was not achieved in 2019/20 due to strong competition from other providers and the impact of work to the public realm in Grantham £18k.	

<p><b>Development Management</b></p> <p>The level of planning applications has reduced this year resulting in income from fees and charges underachieving by £166k. There were 6 (14%) fewer major applications and 83 (4%) fewer minor applications in 2019/20 when compared to 2018/19. This has partially been mitigated by additional new income from Planning Performance Agreements (£64k).</p> <p>Agency costs of £103k were incurred to undertake specific project work. These are to be funded from grant monies received in previous years. Costs of £40k for a new housing infrastructure fund (HIF) post introduced during 2019/20 will be funded by Garden Village Capacity Grant received in a previous year.</p> <p>Conservation - There are ongoing expenses for scaffolding to support a conservation building within the district £19k. A charge on the property will be realised in the future.</p> <p>Land Charges –Income levels reduced by £63k in line with a reduced number of searches being undertaken. This is offset by reduced search fees and the current level of searches (£40k). There were 3,642 searches in 2018/19 compared with only 3,372 (7% fewer) in 2019/20.</p>	<b>287</b>
<p><b>Growth Management</b></p> <p>External planning support of £45k will be funded by the Garden Village Capacity Grant, Future High Street grant funding of (£49k) and Environment Agency grant for the Blue Green Corridor project (£24k) will be moved to specific reserves to fund expenditure in 2020/21.</p>	<b>(28)</b>
<p><b>Invest SK</b></p> <p>Following a review of the funding levels to ISK for the current financial year, a proportion of uncommitted expenditure (£300k) has been returned to the Council as reported to Finance, Economic Development and Corporate Services Overview and Scrutiny Committee in February 2020.</p>	<b>(300)</b>
<p><b>Planning Policy</b></p> <p>Vacant Neighbourhood Planning Officer 0.8 FTE and Senior Planning Policy Officer 1 FTE has resulted in an underspend of (£61k). This will be offset by a reduced reserve movement of £33k. Increased consultancy cost of £11k due to the complexity of a neighbourhood plan has resulted in the need for a public hearing. This will be funded by Neighbourhood Planning grant received in previous years.</p>	<b>(50)</b>
<p><b>Property Development</b></p> <p>Transfer of HRA shops and garages to the general fund forecast to zero from £25k as proposed sites that are held by the HRA will now be utilised to support the ambitious HRA new build programme.</p> <p>In-year surveyor and graduate surveyor vacancies, 1 now appointed has resulted in an under spend of (£44k). This has fully achieved the salary vacancy factor of £10k for the service area.</p> <p>Feasibility costs have been reduced by (£73k) due to limited pipeline of investment and development opportunities. The approved reserve movement will also be reduced.</p> <p>Review being undertaken on future use of St Martin's Park. Currently there are increased security costs and no source of income resulting in an overspend of £22k. It is proposed to meet this additional cost from the Regeneration Reserve.</p>	<b>(80)</b>
<p><b>Pension costs</b></p> <p>Pension costs for accounting entry IAS19 are included within the Directorate. These have been removed at line 6 at table 3.</p>	<b>712</b>
<p><b>Revenue Expenditure Financed from Capital under Statute (REFCUS)</b></p> <p>Accounting entries for Shop Front Grant Scheme are included within the Directorate. These have been removed at line 6 at table 3.</p>	<b>77</b>

Accounting entries for asset revaluations are included within the Directorate. These have been removed at line 6 at table 3.	<b>1,472</b>
<b>Depreciation</b>	<b>574</b>
Additional depreciation totalling £574k is within the Directorate and removed at line 10 at table 3 as this is a non-cash item.	
<b>TOTAL</b>	<b>2,704</b>

<b>Finance, Legal and Democratic</b>						
Service Area	Current Expenditure Budget (less Budget Carry Forwards)	Current Income Budget	Current Budget (less Budget Carry Forwards)	2019/20 Outturn	Variance to Current Budget	2019/20 Outturn Variance
	£	£	£	£	£	%
Finance	2,481,985	(507,700)	1,974,285	1,962,630	(11,655)	(0.6%)
Benefits	28,653,162	(28,886,600)	(233,438)	(304,070)	(70,632)	(30.3%)
Corporate	1,515,529	(128,467)	1,387,062	1,136,055	(251,007)	(17.5%)
Legal & Democratic	2,108,790	(429,500)	1,679,290	1,666,855	(12,435)	(0.7%)
Revenue Services	598,214	(536,400)	61,814	236,185	174,371	282.1%
<b>TOTAL</b>	<b>35,357,680</b>	<b>(30,488,667)</b>	<b>4,869,013</b>	<b>4,697,655</b>	<b>(171,358)</b>	<b>(3.5%)</b>

<b>Explanation of Significant Variances</b>	<b>£'000</b>
<p><b>Finance</b></p> <p>In-year vacancies have contributed to overachieving the salary vacancy factor within the service area by (£28k). These vacancies have funded honorarium payments made during 2019/20 for additional responsibilities undertaken which has resulted in spend of £14k.</p> <p>External payroll support in-year due to staffing shortages in Exchequer Services has resulted in an overspend of £15k.</p> <p>Insurance premium savings of (£36k) have been realised in 2019/20. Further savings will be achieved in 2020/21 following a successful procurement with a new provider in place from 1 July 2020.</p> <p>In-year recruitment of the Procurement lead post has reduced the salary costs in 2019/20 by £20k. The post has been funded from the Invest to Save reserve for the first 2 years of the appointment.</p>	<b>(15)</b>
<p><b>Benefits</b></p> <p>Administration subsidy grant income has been received at an increased level to the budget (£45k).</p> <p>In-year benefit assessor vacancies – 4 FTE (£99k). These posts have fully achieved the salary vacancy factor within the service area of £15k and the required staffing levels will be reviewed in 2020/21 having regard to the impact Universal Credit is having on the service demands and the efficiencies being developed as part of the process automation</p>	<b>(14)</b>

programme. Due to a positive reduction in overpayments, the amount recovered was less than budgeted resulting in a variance of £230k. Welfare reform grant received for (£100k) has not been utilised in 2019/20. This funding will be used to contribute to the modernisation within the service area in 2020/21.	
<b>Corporate</b> Corporate efficiency savings and income generation budgets have not fully been realised. <ul style="list-style-type: none"> <li>- Agency spend £75k, monitored with the salary vacancy factor.</li> <li>- Shared services income reduced by £34k following cessation of secondments.</li> <li>- No further subscription savings were realised during the year resulting in an overspend of £35k.</li> </ul> Secondary pension payments increased by £91k following the split between GF & HRA – this is funded by a reserve movement. Procurement Savings of £50k were achieved in 2019/20, against a target of £300k. A procurement savings plan has been developed for 2020/21. Covid-19 related PPE and ICT expenditure of £19k in 2019/20 will be funded by Government grant in 2020/21.	<b>591</b>
<b>Legal and Democratic</b> Legal - Recruitment to in-year vacancies and therefore reduction of external legal support has resulted in an underspend of (£48k). Democratic & Elections - Net in-year savings of (£25k) from the postponement of filling vacant posts in the Democratic service area. Postage, stationery and outside printing savings of (£23k) was achieved due to use of current supplier arrangements and two uncontested wards at the District elections. Individual Electoral Registration (IER) funding – additional grant of (£26k) has been received in-year, funding the Elections and Democratic Support Officer. The budgeted reserve movement is therefore not required.	<b>(122)</b>
<b>Revenues</b> In-year Revenues Officer vacancy has resulted in savings of (£15k), which has achieved the salary vacancy factor of £15k for the service area. Empty homes review with costs of £22k will result in additional Council Tax revenue in future years. Finders fees of £30k for business rate reviews will result in additional business rates in future years. Unrecoverable Council Tax of £17k was written off during the year.	<b>69</b>
<b>Pension costs</b> Pension costs for accounting entry IAS19 are included within the Directorate. These have been removed at line 6 at table 3.	<b>(567)</b>
<b>Depreciation</b> Additional depreciation totalling £16k is within the directorate and removed at line 10 at table 3 as this is a non-cash item	<b>16</b>
<b>TOTAL</b>	<b>(42)</b>

<b>Transformation and Change</b>						
Service Area	Current Expenditure Budget (less Budget Carry Forwards)	Current Income Budget	Current Budget (less Budget Carry Forwards)	2019/20 Outturn	Variance to Current Budget	2019/20 Outturn Variance
	£	£	£	£	£	%
Customer Services	652,206	(59,850)	592,356	740,970	148,614	25.1%
ICT Services	1,509,439	(91,200)	1,418,239	1,619,494	210,255	14.2%
Organisational Development	860,165	(22,400)	837,765	843,230	5,465	0.7%
Reputation, Consultation & Communications	319,350	(4,300)	315,050	390,933	75,883	24.1%
Transformation	508,589	(10,000)	498,589	789,704	291,115	58.4%
<b>TOTAL</b>	<b>3,830,749</b>	<b>(187,750)</b>	<b>3,661,999</b>	<b>4,384,331</b>	<b>722,332</b>	<b>19.7%</b>

<b>Explanation of Significant Variances</b>	<b>£'000</b>
<p><b>ICT Services</b></p> <p>In-year vacancies including 2 internal secondments has resulted in an underspend of (£86k).</p> <p>Corporate licence fees which were not budgeted £78k.</p> <p>Previous years' efficiencies of £16k relating to printers were delayed due to office moves and changes to planned alterations.</p> <p>Reduced level of income of £25k from an external hosting agreement during 2019/20. This will be reviewed going forward to ascertain value for money.</p> <p>Telephony - Increase in costs £28k relating to telephony and mobile costs in 2019/20. A full review of telecommunications is ongoing.</p>	<b>61</b>
<p><b>Organisational Development</b></p> <p>Printroom efficiency savings £40k - The authority will retain some print capability. However, the amount of space required for this has been reduced and the available office space will be reviewed as part of the broader St Peter's Hill office review project.</p> <p>Centralised Printing/Advertising/Postages and Stationery - There is an underspend of (£87k) across all centralised cost centres. These have recently been transferred to the Business Support Unit and are currently reviewing the spend in all these areas to assess whether budgets can be reduced.</p>	<b>(47)</b>
<p><b>Transformation</b></p> <p>The process automation project has been funded by £150k from the invest to save reserve and is in place in the agreed service areas where the automation has been implemented. This has achieved (£51k) compared with a budgeted saving of (£200k). The reduction in savings is due to longer lead-in times than anticipated and updated lower resource savings. However, it is recognised that postponement of filling vacant posts in specific service areas pending the automation work has positively resulted in savings of (£79k) that contribute towards the corporate budget position.</p>	<b>185</b>

<p>Channel Shift savings - Whilst work is being progressed in this area, £70k of budgeted savings has not been realised during this financial year. A Customer Experience Strategy has been presented to the Rural and Communities Overview and Scrutiny Committee, which sets out the vision for customer engagement</p> <p>Innovation team – An in-year vacant Innovation Officer post resulting in an underspend of (£34k) will be offset by a reduced reserve movement.</p>	
<p><b>Pension Costs</b></p> <p>Pension costs for accounting entry IAS19 are included within the Directorate These have been removed at line 6 at table 3.</p>	<b>499</b>
<p><b>Depreciation</b></p> <p>Additional depreciation totalling £16k is within the Directorate and removed at line 10 at table 3 as this is a non-cash item.</p>	<b>17</b>
<b>TOTAL</b>	<b>715</b>