

Appendix A

2023/24 General Fund Revenue Significant Variance Analysis

Corporate, Governance & Public Protection Service						
Service Area	Current Expenditure Budget	Current Income Budget	2023/24 Current Budget	2023/24 Forecast Outturn	Forecast Variance	Forecast Variance
	£	£	£	£	£	%
Corporate Management	451,000	(1,750)	449,250	455,950	6,700	1.5%
Human Resources & Organisational Development	450,860	(7,100)	443,760	436,660	(7,100)	(1.6%)
Legal & Democratic	2,110,141	(390,691)	1,719,450	1,826,500	107,050	6.2%
Ops & Public Protection Mgmt	117,000	0	117,000	126,800	9,800	8.4%
Public Protection	1,754,900	(392,000)	1,362,900	1,341,370	(21,530)	(1.6%)
TOTAL	4,883,901	(791,541)	4,092,360	4,187,280	94,920	2.3%

Explanation of Significant Variances	£'000
<p>Legal & Democratic</p> <p>Land Charges - Additional search fee costs together with an increase in non-chargeable personal searches and significant reduction in official searches based on previous years has resulted in a forecast overspend of £80k. This has been partially mitigated by transition funding in relation to the migration of land registry to His Majesty's Land Registry national platform as work on this project is currently being contained within the existing staffing budget</p>	87

Finance, Property & Waste Services						
Service Area	Current Expenditure Budget	Current Income Budget	2023/24 Current Budget	2023/24 Forecast Outturn	Forecast Variance	Forecast Variance
	£	£	£	£	£	%
Community Engagement	346,600	(19,000)	327,600	334,100	6,500	2.0%
Finance	1,820,533	(171,250)	1,649,283	1,633,548	(15,735)	(1.0%)
Finance Management	261,292	(16,850)	244,442	251,842	7,400	3.0%
ICT Services	2,112,809	(41,750)	2,071,059	2,040,109	(30,950)	(1.5%)
Property Services	5,308,403	(2,482,165)	2,826,238	2,245,785	(580,453)*	(20.5%)
Revenues, Benefits, Customer & Community Services	18,799,000	(18,127,050)	671,950	634,865	(37,085)	(5.5%)
Waste Depot	270,000	0	270,000	270,000	0	0.0%
Waste & Markets	6,115,710	(2,615,000)	3,500,710	3,261,210	(239,500)*	(6.8%)
TOTAL	35,034,347	(23,473,065)	11,561,282	10,671,459	(889,823)	(7.7%)

* variance explanation included in table 3 of the report

Explanation of Significant Variances	£'000
Finance The annual insurance renewal has been procured below the budgeted level resulting in an underspend of (£33k). Further procurement support has incurred additional costs of £29k External audit costs have increased by £50k due to the complexity of the scope of audit now required. The audit fees are set by the Public Sector Audit Appointments so the Council does not have control over the charges that are incurred.	(15)
ICT Services Costs for additional data links to the new Council offices have been mitigated by roles remaining vacant whilst the service area has undergone structure changes	(31)
Revenues, Benefits & Customer Services The number of summonses being issued has reduced and the summons cost the Council is able to charge has been reduced by Government which have resulted in a net forecast reduction in court cost income of £66k. The cost of collection allowance provides billing authorities with income to help meet the cost of administering the rating system. The award for 2023/24 is £25k less than	(37)

<p>budgeted.</p> <p>There is a reduced income forecast of £70k for benefit overpayments due to national changes to the benefit system which has resulted in Housing Benefit recipients being transferred to Universal Credit. The recovery approach has been amended accordingly.</p> <p>Additional in-year awards of external grants of £143k including a further £70k of Local Council Tax Support Scheme based on an increased caseload</p>	
<p>Waste & Markets</p> <p>Commercial Waste - (net additional income £96k) additional income of £181k has been forecast because of in year price increases and continued growth in the customer base since the budget was set. The customer base has now stabilised with little capacity for further growth without significant additional investment in the service.</p> <p>Garden Waste - Additional income of (£64k) has been received with 30,578 households renewing their subscription for 2023/24 (29,961 at this point last year) and 811 new households joining the service</p>	(2482)

Growth & Culture						
Service Area	Current Expenditure Budget	Current Income Budget	2023/24 Current Budget	2023/24 Forecast Outturn	Forecast Variance	Forecast Variance
	£	£	£	£	£	%
Arts & Culture	2,821,216	(1,070,250)	1,750,966	1,690,520	(60,446)	(3.5%)
Building Control	1,018,600	(859,400)	159,200	106,333	(52,867)	(33.2%)
Communications	335,544	(4,300)	331,244	281,027	(50,217)	(15.2%)
Culture & Leisure Mgmt	304,134	0	304,134	313,700	9,566	3.1%
Development & Policy	1,936,566	(1,453,100)	483,466	480,966	(2,500)	(0.5%)
Economic Development	1,471,529	(535,429)	936,100	930,900	(5,200)	(0.6%)
Growth Management	241,700	0	241,700	251,100	9,400	3.9%
Leisure	3,194,300	(418,550)	2,775,750	2,727,491	(48,259)	(1.7%)
Parks & Open Spaces	667,275	(121,450)	545,825	653,825	108,000	19.8%
Street Scene	1,923,050	(54,500)	1,868,550	1,763,950	(104,600)	(5.6%)
TOTAL	13,913,914	(4,516,979)	9,396,935	9,199,812	(197,123)	(2.1%)

* variance explanation partially included in table 3 of the report

Explanation of Significant Variances	£'000
Arts & Culture Changing habits of customers post-COVID has resulted in Stamford Arts Centre film rent expenses and income being reduced. This is in line with the national picture for cinema operators and has been further exacerbated by the roof works to the building which resulted in the cancellation of matinee performances. In 2019, there were 215 films with a total of 564 screenings compared with 190 films with a total of 351 screenings in 2023. This is a reduction in films of 12% and 38% reductions in screenings. This loss in net income of £82k has been partially mitigated by a related reduction in casual staff wages of £20k. Explanations regarding the underspend variances for utilities (£99k) and business rates (£18k) are provided in Table 3 of the report	(60)
Communications Establishment roles remaining vacant in-year due to a service area restructure has resulted in underspends	(50)
Leisure Grant funding of £344k has been received from The English Sports Council – Swimming Pool Support Fund to contribute towards the increased utilities and pool chemical costs which resulted in the requirement of a £500k management fee for LeisureSK Ltd. The management fee has increased by £273k during the year which is due to a number of operational difficulties including an ongoing issue of irrecoverable VAT. This cost is linked to the significant increase in utility costs and the associated VAT which cannot be reclaimed due to percentage of exempt income the company receives. The increased management fee will be funded by the Budget Stabilisation reserve in accordance with the approval given by Cabinet and Council	(48)
Parks & Open Spaces £100k of the budgeted saving following the integration of Grounds Maintenance and Street Scene services has not yet been achieved due to the ongoing review of the service area.	108
Street Scene In accordance with the report presented to Cabinet in February 2023, £149k of establishment savings had been identified from the integration of the Grounds Maintenance and Street Cleansing teams. The unforeseen exaggerated growing season however has increased the number of required grass cuts beyond that of the costed specification resulting in £50k of this saving being re-allocated to increase staffing resources	(105)

Housing & Projects

Service Area	Current Expenditure Budget	Current Income Budget	2023/24 Current Budget	2023/24 Forecast Outturn	Forecast Variance	Forecast Variance
	£	£	£	£	£	%
Centralised & Business Support	481,700	(3,200)	478,500	485,650	7,150	1.5%
Corporate Projects & Performance	898,500	(140,400)	758,100	596,700	(161,400)	(21.3%)
Health & Safety	132,000	0	132,000	141,250	9,250	7.0%
Housing Services	2,021,807	(1,684,860)	336,947	365,440	28,493	8.5%
TOTAL	3,534,007	(1,828,460)	1,705,547	1,589,040	(116,507)	(6.8%)

* variance explanation included in table 3 of the report

Explanation of Significant Variances	£'000
Corporate Projects & Performance	(161)
The 14 schemes within the Blue/Green Witham Corridor project have all been delivered and an independent summative assessment was completed and approved by the awarding bodies. In year secondments from within the service area have increased the underspend	
Housing Services	28
Homelessness – An increase in the use of emergency accommodation combined with health and safety works required on SKDC homelessness units has resulted in a forecast pressure of £200k in 2023/24. Whilst additional Flexible Supported Homelessness Grant has been received in year which has enabled temporary funding to be made available, as this is a demand led service it is not clear whether this one-off funding will be sufficient to respond to ongoing demand which is currently at unprecedented levels. It is expected that this will continue to be a budget pressure area and will be kept under review	