

Appendix A

2023/24 General Fund Revenue Significant Variance Analysis

General Fund Revenue – Significant Variances Commentary

Explanation of Significant Variances	£'000
Utilities – Electricity & Gas The budget assumptions that were built into 2023/24 were greater than the actual increases that were experienced during the year. This, coupled with competitive prices that were secured via our supplier procurement framework. This has resulted in an overall underspend of £757k	(757)
Business Rates Following a review of property rateable values, a number have reduced by the Valuation Office Agency resulting in an underspend for 2023/24.	(136)
Fuel A reduction in predicted price increases has resulted in an overall underspend of £173k for 2023/24. The budget was set using an average unit price of 146p per litre but actual prices in year have been between 105p and 130p per litre.	(173)
Salary vacancy factor The Council's salary budgets are prepared with an assumed 3% vacancy factor in order to reflect the turnover of staffing during a financial year. The Council has experienced a positive stable workforce during the year and therefore the overall vacancy factor has not been achieved. This will be reviewed as part of the budget setting for 2024/25.	452
Investment Income Base rate changes have resulted in an increase on the interest rates available for investments. The Council is now able to secure investment interest rates above 5% compared with the budgeted rate of 4%.	(832)

Corporate, Governance & Public Protection Service						
Service Area	Current Expenditure Budget (less Budget Carry Forwards and Accounting Adjustments)	Current Income Budget	Current Budget (less Budget Carry Forwards)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£	£	£	£	£	%
Corporate Management	470,500	(1,750)	468,750	492,204	23,454	5.0%
Human Resources & Organisational Development	450,860	(7,100)	443,760	383,264	(60,496)	(13.6%)
Legal & Democratic	2,078,341	(400,391)	1,677,950	1,736,096	58,146	3.5%
Ops & Public Protection Mgmt	98,900	0	98,900	103,373	4,473	4.5%
Public Protection	1,763,400	(463,800)	1,299,600	1,188,004	(111,596)	(8.6%)
TOTAL	4,862,001	(873,041)	3,988,960	3,902,942	(86,018)	(2.2%)

Explanation of Significant Variances	£'000
Human Resources & Organisational Development Training – There has been a positive shift towards an in-house training offer and this has resulted in an overall underspend.	(60)
Legal & Democratic Land Charges - A reduction in official searches based on previous years has resulted in an under recovery of income of £90k. 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 has been contained within the existing staffing budget.	58
Public Protection A number of in year vacancies within the service area have resulted in an underspend of £74k. Permanent recruitment has been undertaken for the majority of these roles.	(112)

Finance, Property & Waste Services						
Service Area	Current Expenditure Budget (less Budget Carry Forwards and Accounting Adjustments)	Current Income Budget	Current Budget (less Budget Carry Forwards and Accounting Adjustments)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£	£	£	£	£	%
Community Engagement	311,600	(19,000)	292,600	261,338	(31,262)	(10.7%)
Finance	1,709,833	(171,250)	1,538,583	1,724,821	186,238	12.1%
Finance Management	261,292	(16,850)	244,442	269,577	25,135	10.3%
ICT Services	2,186,209	(41,750)	2,144,459	2,194,920	50,461	2.4%
Property Services	4,245,903	(2,482,165)	1,763,738	907,378	(856,360)	(48.6%)
Revenues, Benefits, Customer & Community Services	18,795,100	(18,127,050)	668,050	752,457	84,407	12.6%
Waste Depot	177,000	0	177,000	36,130	(140,870)	(79.6%)
Waste & Markets	5,536,510	(2,615,000)	2,921,510	2,610,295	(311,215)	(10.7%)
TOTAL	33,223,447	(23,473,065)	9,750,382	8,756,917	(993,465)	(10.2%)

Explanation of Significant Variances	£'000
Finance <p>The annual insurance renewal has been procured below the budgeted level resulting in an underspend of £33k.</p> <p>Further procurement support has incurred additional costs of £25k.</p> <p>External audit costs have increased by £116k 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.</p> <p>There has been a requirement for an in-year insurance provision increase for additional claims for £110k.</p> <p>No further salary award payments were made following the national settlement and as such, there is a reduction in the required approved funding of £86k.</p> <p>The corporate restructure implemented on 1 October 2023 has resulted in a gross saving of £88k.</p>	186
ICT Services <p>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.</p>	50

There has been a number of licences which have had price increases above that budgeted. Budgets have been re-based for 2024/25 where applicable.	
Property Services Utilities – There have been significant savings achieved in respect of electricity, gas and Business rates. Car parking income has increased by £129k against budgeted levels with an increase particularly in all day parking sessions at St Leonards Street, Stamford and Welham Street, Grantham.	(856)
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 reduction in court cost income of £66k. Further audit work undertaken within the service area has increased costs by £55k and there have been a number of other minor variances.	84
Waste Depot The remaining approved revenue budget of £141k will be carried forward to contribute towards the costs that will be incurred as the project progresses.	(141)
Waste & Markets Commercial Waste - (net additional income £120k) additional income of £186k 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. Garden Waste - Additional income of (£65k) has been received with 30,575 households renewing their subscription for 2023/24 (29961 at this point last year) and 823 new households joining the service.	(240)

Growth & Culture						
Service Area	Current Expenditure Budget (less Budget Carry Forwards and Accounting Adjustments)	Current Income Budget	Current Budget (less Budget Carry Forwards and Accounting Adjustments)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£	£	£	£	£	%
Arts & Culture	1,918,616	(1,070,250)	848,366	643,444	(204,922)	(24.2%)
Building Control	1,018,000	(859,400)	158,600	85,773	(72,827)	(45.9%)
Communications	335,544	(4,300)	331,244	278,269	(52,975)	(16.0%)
Culture & Leisure Mgmt	304,134	0	304,134	307,178	3,044	1.0%
Development & Policy	1,762,266	(1,453,100)	309,166	(10,069)	(319,235)	(103.3%)
Economic Development	1,142,387	(1,491,687)	(349,300)	(302,634)	46,666	(13.4%)
Growth Management	241,700	0	241,700	251,983	10,283	4.3%
Leisure	814,900	(145,550)	669,350	415,043	(254,307)	(38.0%)
Parks & Open Spaces	541,075	(121,450)	419,625	661,055	241,430	57.5%
Street Scene	175,375	(54,500)	1,699,250	1,487,280	(211,970)	(12.5%)
TOTAL	9,832,372	(5,200,237)	4,632,135	3,817,321	(814,814)	(17.6%)

Explanation of Significant Variances	£'000
Arts & Culture <p>There has been a modest reduction in cinema activity which has seen a reduction of screenings from 591 screenings to 392 screenings. This is in line with the national picture for cinema operators. This reduction in income has been partially mitigated by a related reduction in casual staff wages.</p> <p>Utilities – A reduction in the utility costs has resulted in a budget underspend of £173k.</p>	(205)
Building Control <p>Vacancies held in year due to the current economic climate have mitigated the loss of fee income received.</p>	(73)
Communications <p>Establishment roles remaining vacant in-year due to a service area restructure has resulted in underspends.</p>	(53)

<p>Development & Policy</p> <p>Statutory planning application fees increased in Quarter 4 by 25% and 35% for Major applications. Additionally, the Council has received several major planning applications in the last quarter including two solar farms which has increased the planning income by £281k. In year vacancies have resulted in an underspend of £54k.</p>	(319)
<p>Leisure</p> <p>Grant funding of £344k has been received from Sports England – (Swimming Pool Support Fund) to contribute towards the increased utilities and pool chemical costs and was used to offset against the management fee for LeisureSK Ltd.</p>	(254)
<p>Parks & Open Spaces</p> <p>£100k of the budgeted savings were not achieved during the financial year as there are further reviews required in respect of grounds maintenance, Street Scene and Waste Services. These reviews will be undertaken during 2024/25.</p> <p>Assets were transferred to Stamford Town Council during 2023/24 which included the remaining special expense reserve balance of £117k. This will be funded below the net cost of service line.</p>	241
<p>Street Scene</p> <p>In accordance with the report presented to Cabinet in February 2023, £149k of establishment savings have been identified following the integration of the Grounds Maintenance and Street Cleansing teams.</p> <p>There have been ongoing fuel savings as referenced in the table of the Appendix.</p>	(211)

Housing & Projects						
Service Area	Current Expenditure Budget (less Budget Carry Forwards and Accounting Adjustments)	Current Income Budget	Current Budget (less Budget Carry Forwards and Accounting Adjustments)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£	£	£	£	£	%
Centralised & Business Support	481,700	(3,200)	478,500	485,131	6,631	1.4%
Corporate Projects & Performance	867,500	(140,400)	727,100	452,673	(274,427)	(37.7%)
Health & Safety	132,000	0	132,000	143,776	11,776	8.9%
Housing Services	2,103,307	(1,875,360)	227,947	(492,501)	(720,448)	(316.1%)
TOTAL	3,584,507	(2,018,960)	1,565,547	589,079	(976,468)	(62.4%)

Explanation of Significant Variances	£'000
<p>Corporate Projects & Performance</p> <p>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 and in year vacancies have increased the underspend by £42k.</p> <p>Income of £22k has been received from the electric charging vehicle points within car parks.</p>	(274)
<p>Housing Services</p> <p>Homelessness – this remains a revenue pressure due to the ongoing demand for temporary housing support. During the year the Council has received additional one-off funding which has eased the financial situation and specifically an Afghan resettlement Grant of which £695k will be carried forward into 2024/25 to continue to provide funding support.</p>	(720)