

Appendix 2 - Report Details – Additional Revenue narrative

Chief Executive

Chief Executives are reporting an underspend of (£0.359m) against a budget of £5.821m (-6.2%).

The Directorate continues to provide critical, high-quality services to support both our residents and staff. We continue to seek ways to deliver services efficiently and within budget.

HR & OD

Variations £0.002m At year end HR report an overspend of £0.002m. This overspend was due to unforeseen learning and development costs that were unavoidable due to business need.

Variation to January's
Forecast
£0.002m

Wellbeing & Housing

Variation Proactive work from the team has increased income. Particularly in the areas of housing standards, where enforcement actions to improve homes in the rented sector have increased income. There has also been better use of external funding received.

Variation to January's
Forecast
(£0.013m)

Customer Focus

Variation Through managing vacancies and operational costs to offset the reduction in land charges income caused by volatile market conditions we have achieved a (£0.148m) saving at year-end.

Variation to January's We found an additional (£0.018m) of savings from staffing
Forecast efficiencies to increase our year-end position to an
(£0.018m) underspend of (£0.148m).

Resources

Resources are reporting a £0.785m overspend against a budget of £5.033m (15.6%).

Within Legal, Democratic, Elections & Procurement there have been recruitment challenges and therefore a lot of interims in post, but we are seeking to change this in 2024/2025. Property has had instability within the team but now have a permanent team in place and are therefore looking to come in on budget in 24/25. The IT overspend was mainly due to a one-off technical accounting issue which offsets between revenue and capital spend, so shouldn't reoccur next year.

Finance

Variation (£0.013m) underspend	Final outturn is a small underspend of (£0.013m). Variations across the services were contained within an overall minor variance.
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Variation to January's Forecast £0.037m	The overall movement of £0.037m from period 10 was due to minor variations across all service areas.
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Legal, Democratic, Elections & Procurement

Variation £0.357m Overspend	Overspend is due to: 1) Higher than anticipated costs of delivering the District Elections. 2) An unavoidable reliance on agency staff whilst we continue with recruitment for permanent staff. 3) Legal fees and license charges for case management system. 4) Under recovery of income due to decrease in s106 fees (because of work being carried out externally). 5) The increase in demand for legal services in area of Planning, Contracts and Information.
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Variation to January's Forecast £0.012m	The increased overspend from last month is largely driven by increased agency costs.
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ICT

Variation £0.148m overspend	The bulk of the £0.148m overspend is because, following review, it was found that some costs allocated to capital schemes are not eligible for capitalisation under accounting regulations. As a result, these costs must be
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	charged to revenue. The equivalent amount will be recorded as an underspend in capital, leading to an overall increase in revenue and a corresponding decrease in capital expenditure.
Variation to January's Forecast £0.123m	Overspend due to further costs being moved from Capital to Revenue.

Property

Variation
£0.293m Overspend

The £0.253m overspend in Property is largely as a result of dependency on agency £0.064m, additional surveys and consulting services £0.085m, car park under recovery of income and additional management costs £0.068m. There has also been an increase on spend on repairs and maintenance £0.036m. The £0.068m overspend relating to car parks is a result of historical pressures which have since been identified following the movement of the service in November 2024.

The £0.040m shift mainly comprises higher operational costs than anticipated. Due to some lettings taking longer to conclude than anticipated the Commercial Policy Contingency will be used to mitigate against this income that has not been received, subject to approval. Going forward work continues to maintain and improve income across our properties including Castle Quay where several tenants have agreed terms to renew leases, the final unit at Castle Quay 2 is under offer and marketing is underway to attract pop-up units into some vacant units.

Variation to January's Forecast
£0.141m

The main variation from January is due to additional surveys and consulting services £0.085m, higher operational costs £0.040m than anticipated and minor variations across the service £0.016m.

Communities

Communities are reporting an underspend of (£0.311m) against a budget of £10.249m, (-3.0%).

The Directorate has looked carefully across all the service budget areas to identify savings to support the external cost pressures in Environmental services and Planning and Development for appeal costs that haven't been accounted for. The directorate have delivered a programme of Homes England funded garden town activity to support strategic infrastructure, together with the UK Shared Prosperity Funding packages for economic and community development across the district in support of the Councils priorities.

Planning
Development

&

Variation
(£0.279m)
underspend

Planning and Development's end of year outturn is (£0.279m) which is 14% under budget. Costs in some areas exceeded budget (e.g. agency staffing and planning appeal costs) and income was lower than expected for Building Control and planning pre-application advice. However, this was offset by income from Planning Performance Agreements and other fee receipts, some government grant, and periodic vacancies. Spend on consultancy and legal fees was also lower than expected in-year for Planning Policy.

Variation to January's
Forecast
(£0.510m)

The end of year position of (£0.279m) is a change of (£0.510m) from the previously reported overspend forecast of £0.231m. This is largely due to firstly, in-year planning appeal costs being lower than forecast (a reserve sum of (£0.209m) did not need to be spent) and secondly, lower Local Plan spend in-year on external technical work (£0.177m). The remaining change of (£0.124m) comprises some additional income received by Development Management and Building Control, some grant received for Neighbourhood Planning and lower net costs overall.

Growth & Economy

Variation
(£0.109m)
Underspend

The UK Shared Prosperity grant received for 2023/24 has been utilised to support the services in delivering the Councils priorities allowing for Council resource to be diverted to support other services within the Communities directorate.

Variation to January's
Forecast
(£0.019m)

Environmental

Variation
£0.129m
Overspend

The overspend of £0.129m within Environmental Services is primarily due to changes in the global market for recycled materials falling as recycling processing costs have increased.
Increased vehicle maintenance costs due to an ageing fleet have also contributed to the pressure.

Variation to January's
Forecast
£0.057m

The movement of £0.057m is partially a result of a lower than predicted take up for garden waste subscriptions in March 2024 due to poor weather conditions in February/March.

In addition, increased vehicle maintenance costs due to an ageing fleet and accident damage are part offset by other additional income streams across the services.

Regulatory

Variation
(£0.052m)
Underspend

Regulatory Services and Community Safety outturn includes an underspend of £0.052m. The underspend is as a result of savings delivered through holding vacancies open and a small increase in income received across the service area.

Variation to January's
Forecast
(£0.028m)

Executive Matters

Executive Matters is forecasting an underspend of (£0.878m) against the budget of £3.695m (-23.8%).

Executive Matters

Variation
(£0.878m) underspend

There is an underspend on Minimum Revenue Provision (MRP) due to the change in methodology that has been adopted as part of the revised MRP policy for 2023/24, which was agreed by Council at the February 2024 meeting. This accounts for (£1.215m).

The council has also received a (£0.500m) dividend payment from Graven Hill as a result of the profits the company has generated. The council had not budgeted to receive this income.

The Council maintains a number of bad debt provisions in the anticipation that debts will become bad and these once agreed are charged to the relevant provision or cost centre, this year we have increased the provision by £0.424m.

The Council has also set aside £0.828m of interest for ringfenced accounts that must be uplifted in line with interest rates until they have been spent.

Other minor underspends in this area totalling (£0.115m)

Variation to January's Forecast (£0.830m)

Policy Contingency

Policy Contingency is reporting an underspend of (£3.133m) against a budget of £3.485m, (-89.9%). The movement in Policy Contingency is shown in the table below: -

Policy Contingency	Budget	Expenditure	Notes
Original Budget	(5.229)		
General	0.036		NED costs for Graven Hill from Policy Contingency
General	0.161		Pension Strain
General	0.056		Policy Contingency to support Procurement function
General	0.045		Other minor variations agreed throughout the year
Inflation	0.190		Utilities for Leisure Centre
Inflation	0.811		Cost of living allocation and other minor pay related items
Commercial Risk	(0.276)		TCH unspent budget back to Policy Contingency
Commercial Risk	0.084		Policy Contingency release to mitigate the current fuel cost challenges within Environmental services
Commercial Risk	0.352		Use of Policy Contingency to cover overspend on Gate Fees
Commercial Risk	0.285		Use of Policy Contingency to cover lettings taking longer to conclude on certain properties
		0.500	Transformation Implementation reserve underspend - declared in December moved to reserve
		(0.097)	OCC Council Tax Hardship
		(0.051)	Other minor income adjustments
	(3.485)	0.352	