

## APPENDIX 1.1: VARIANCE ANALYSIS OF SERVICES

### Q3 FORECAST

Note: In Table 2: "Principal Variances" the Pay Award pressure £147K is shown as a total. The Pay Awards have been detailed by service area in the tables below.

#### 1. Senior Leadership Team

Service Area	Forecast Underspend OR Income over-recovery (-) £	Forecast Overspend OR Income under-recovery (+) £	Key reasons for forecast variance
Corporate Costs	(33,718)		Savings from costs over-accrued from previous year.
Senior Leadership Team	(31,820)		Savings on Strategic Director posts due to changes in post holders.
TOTAL	<b>(65,537)</b>		
Net Forecast Under/Overspend	<b>(65,537)</b>		

## 2. Finance & Resources (Including Corporate Budgets)

Service Area	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
	£	£	
Corporate Management		58,984	Overspend as a result of the PSAA contract.
Vacancy Target		119,299	Corporate vacancy savings target removed.
Finance		19,488	£14K overspend on supplies and services, software, sundry costs, £2K professional fees, £3K staff overspend
Photocopiers	(1,685)		Savings: fewer photocopiers
Postage	(100)		minor variance
Emergency Callout		2,050	Increase in staffing costs associated with emergency call out.
Council Tax		6,380	Hired staff to cover for vacancies.
Non-Domestic Rates	(36,460)		£(30)K Vacancy savings: Bus Rates Officer post frozen. £(7)K underspend professional fees.
Council Tax Support		5,272	Pay Award
Net Cost of Benefit		354,659	Mainly homeless costs for temporary accommodation plus other small movements on net cost of benefits.

Service Area	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
	£	£	
Head of Finance, Revenues & Benefits	(20,180)		£(13)K New Burden's grant rec'd and £(9)K salary savings and £2K overspend on software.
ICT		39,210	UNIFORM software: unbudgeted spend.
Systems Administration	(30,151)		Vacancy savings (System Support Officer post frozen from August 2023).
Corporate Projects	(25,569)		Salary savings from part-time working.
<b>TOTAL</b>	<b>(114,146)</b>	<b>605,342</b>	
Net Forecast Under/Overspend	<b>491,196</b>		

### 3. The Built Environment

Service Area	Forecast Underspend OR Income over-recovery (-) £	Forecast Overspend OR Income under-recovery (+) £	Key reasons for forecast variance
Building Control Section		15,493	Due to economic downturn and cost of living crisis there is a shortfall in anticipated income resulting from contributions to the delegated Leicestershire Building Control Partnership.
Planning Control		76,120	Mostly £45K from unachieved planning income, and £31K salary pressures and other minor variances.
Planning Policy	(7,626)		Unbudgeted grant income destined for the Local Plan reserve.
Planning Section	(933)		Savings on professional fee payments for planning section.
Economic Development	(82,938)		£(70)K due to some salary capitalisation not achieved, pressure from Pay Award mitigated by vacancy savings on Economic Regeneration Manager and 2x Officers, £5K overspend from Christmas lights costs (electricity), and £(18)K savings from costs charged elsewhere.
Climate Change **new		1,682	Shared service costs.
Homelessness	(226,757)		Mainly from additional homeless grants income and housing benefit receipts.

Service Area	Forecast Underspend OR Income over-recovery (-) £	Forecast Overspend OR Income under-recovery (+) £	Key reasons for forecast variance
Belmont House Hostel		8,990	£2K overspend on gas central heating. £1K overspend on maintenance of fire & security alarms. £6K overspend on management & supervision costs.
Rent Plus	(609)		Retained management fee.
Cleaning Contract		8,254	Pressure from salary increases and travel between sites.
Net Forecast Under/Overspend	<b>(318,863)</b>	<b>110,539</b>	
	<b>(208,324)</b>		

#### 4. Law and Democracy

Service Area	Forecast Underspend OR Income over-recovery (-) £	Forecast Overspend OR Income under-recovery (+) £	Key reasons for forecast variance
Non service-specific		32,000	The full cost of staff in the Environmental Health Admin & Enforcement budget was not fully reflected. As reported previously.
Environmental Health Administration / Enforcement		17,422	£15K Unbudgeted Apprentice post and £2K Pay Awards.
Environmental Protection	(1,000)		Costs of abandoned vehicles to be recovered in full, therefore full budget not required.
Health and Safety		1,657	Pay Award pressure and additional costs for First Aiders.
Local Land Charges		400	Inflationary increase in cost of outsourcing service not budgeted for.
Democratic Representation & Management		9,939	Mostly Pay Award
Register of Electors	(15,034)		Savings achieved from postage recharges.

Service Area	Forecast Underspend OR Income over-recovery (-) £	Forecast Overspend OR Income under-recovery (+) £	Key reasons for forecast variance
Election Expenses		18,955	Increased staff costs at polling station to assist with introduction of voter ID offset by gov't grants provided elsewhere (Finance).
Legal & Admin Service	(6,637)		Professional costs offset by cost awards made.
Taxi Licences	(28,373)		Additional income from new drivers' licences.
Other Licences	(4,550)		Exceeded expectations on some of the minor licences.
Alcohol and Entertainment Licences	(30,090)		Mostly due to recovery of historical uncollected premises licences.
Gambling Act Fees		1,108	Refund of duplicated payment from 22/23
Selective Property Licensing Scheme		112,357	Mainly from underachieved income from Private Landlord Property licences.
Licensing Service	(42,601)		Due to £(35)K salary, £(2)K grant funding and £(5)K subscription changes recharged elsewhere.
Net Forecast Under/Overspend	<b>(128,285)</b> <b>65,553</b>	<b>193,838</b>	

## 5. Community & Wellbeing

Service Area	Team	Variance	Key reasons for forecast variance
Community & Wellbeing	Non service-specific	118,000	Error in the detailed budget setting when the transfer of the Community Wellbeing function to Blaby was reflected (the cost of transferring the service to Blaby remains as previously presented and agreed by members). This was reported at Q1.
	Community Development	10,437	Underachievement of Community Lottery income which started in July but budgeted for full year.
	Health Promotion	(4,600)	Savings: service outsourced
	Grants	(12,944)	Fewer than expected grant payments to 3rd parties.
	Recreation & Leisure	10,755	Shortfall in funding to BDC for Physical Activity/ Health Work.
	Swimming Pools & Leisure Centre	260,206	Income shortfall on the leisure management fee income previously reported an overspend external contractor costs.
	Crime and Disorder Partnership	(10,647)	Unbudgeted cumulative CSP funding for 2021-24 and £(84)K and £73K expenditure for OPCC Youth prevention work.

Service Area	Team	Variance	Key reasons for forecast variance
	Civil Contingencies and Emergency Planning	(548)	Contribution to the local resilience forum.
	Children and Young Persons	3,936	Overspend on youth boxing sessions which will be fully funded by YEA grant in grants reserve.
Corporate Assets	Allotments	(1,351)	Savings: lower water consumption in winter months.
	Sports Grounds	19,753	Overspends mainly from higher utility costs and a reduced hire income.
	Freer Community Centre	12,358	Overspends mainly from higher utility costs and a reduced hire income.
	Sheila Mitchell Pavilion	909	Higher utility costs.
	Walter Charles Centre	985	Higher utility costs.
	Cemeteries	57,140	Mostly from reduced fees income.
	Public Conveniences	(1,023)	No longer in use.

Service Area	Team	Variance	Key reasons for forecast variance
	Car Parks	4,359	£15K salary overspend, £15K overspend on equipment maintenance. £(30)K improvement in expected parking fee income. £4K increase in expected transaction fees (phone payments).
	Borough Engineering	(4,007)	Reactive maintenance for various items of street furniture. Low demand this year.
	Street Cleansing	1,317	Numerous small variances.
	Grounds Maintenance	13,751	Mainly salary overspends: pay award and overtime costs.
	Facilities Management Holding Account	9,035	Salary costs: SLT approved recruitment of Manager mostly financed by savings from an apprentice vacancy and services/supplies savings.
	Structural Maintenance	(15,100)	Underspend on repairs now that Bushloe House vacant.
	Bushloe House Offices and Grounds	70,654	Delays in sale, incurred utility costs (under investigation).

Service Area	Team	Variance	Key reasons for forecast variance
	Brocks Hill Move	72,205	Moving costs, utilities and maintenance of new conferencing system.
	Brocks Hill	136	Small salary overspend due to pay award.
Depot	Domestic Refuse Collection	60,375	£6K cost pressure on hired plant, £43K overspent due to contractual payments for working bank holidays, £11K unachieved income from collection of white goods.
	Recycling Collection	18,882	Overspend due to contractual payments for working bank holidays.
	Recycling Disposal	(916)	Increased income.
	Waste Minimisation	1,520	Salary costs: Pay award & unbudgeted overtime.
	Garden Waste Collection	7,325	Lower revenue from garden waste.
	Mechanics Workshop	1,165	Salary costs: Pay award, unbudgeted overtime & increased attendances by the hired mechanic.
	Oadby Depot	(12,917)	Underspends in services and supplies.
	Fleet Management	38,813	Unexpected vehicle repairs.
	<b>Forecast</b>	<b>729,963</b>	<b>(under)/Overspend</b>

## 6. Customer Service & Business Transformation

Service Area	Forecast Underspend OR Income over-recovery (-) £	Forecast Overspend OR Income under-recovery (+) £	Key reasons for forecast variance
Information & Public Relations	(25,553)		Event programme delivered under anticipated budget. Less need for external communications expertise/graphic design skills than anticipated.
Customer Services	(11,462)		Savings resulting from reduction in provision for software.
Head of Customer Services & Transformation		5,924	Pay Award pressure.
Customer Service Improvement		2,738	Pay Award pressure.
Human Resources	(5,512)		Salary/corporate training savings.
Net Forecast Under/Overspend	<b>(42,527)</b> <b>(33,865)</b>	<b>8,662</b>	

## 7. HRA Recharges

Service	Variance £'000	Reason for variance
HRA Recharges	-	Not applicable – balanced position

## 8. Capital Financing

Service Area	Forecast Underspend OR Income over- recovery (-) £	Forecast Overspend OR Income under- recovery (+) £	Key reasons for forecast variance
Capital Financing	(415,728)		Savings in capital financing charges due to <b>£(343)K</b> MRP savings, <b>£(29)K</b> savings from interest payable due to slippage, <b>£(45)K</b> additional interest receivable due to interest rate increases.
Net Forecast Under/Overspend	<b>(415,728)</b>	-	

### APPENDIX 1.2: Movements from Q2 to Q3

Service	Team	Q3	Q2	Movement over £30K	Q3 result	Explanation for movement in variance
SLT	Corporate Costs	(33,718)	(1,110)	(32,608)	reduced pressure	Additional savings included in Q3 from costs over-accrued from previous year.
Finance & Resources	Corporate Management	58,984	3,900	55,084	increased pressure	Increase in external audit fee as a result of the PSAA contract.
	Finance	19,488	147,305	(127,817)	reduced pressure	£123K budget was created following supplementary budget approval by Committee at Q2.
	Net Cost of Benefit	354,659	396,700	(42,041)	reduced pressure	Improvement in sundry debtors income in Q3.
The Built Environment	Planning Control	76,120	29,752	46,367	increased pressure	£45K from unachieved planning income not reported in Q2.
	Economic Development	(82,938)	(30,329)	(52,609)	reduced pressure	Increase in vacancy savings in Q3.
Corporate Assets	Cemeteries	57,140	(2,829)	59,968	increased pressure	Q3 reported additional pressure from reduced fees income, salary figures recalculated using actuals uti DEC'23
	Bushloe House Offices and Grounds	70,654	1,069	69,585	increased pressure	Costs incurred due to delays in property sale completion (utility costs under investigation).
Depot	Domestic Refuse Collection	60,375	11,354	49,020	increased pressure	Q3 reported further overspends due to contractual payments for working bank holidays, £6K more unachieved income from collection of white goods.
	Fleet Management	38,813	(27,260)	66,073	increased pressure	Q3 reported more unexpected vehicle repairs.
	Other	(56,317)	(40,171)	(16,145)		Sum of movement under £30K
<b>Overspend</b>		<b>563,259</b>	<b>488,381</b>	<b>74,879</b>		