

Appendix D

Below is a table of the most significant budget variances from 2017/18. This includes all variations of 30% or above.

ANALYSIS OF SIGNIFICANT VARIATIONS (% column shows variation against budget)	£'000	% variation	Note
Increases in expenditure/reduction in income			
Customer First			
Extra planning costs including legal fees, appeal costs and advertising costs (budgeted £0.086m)	50	58.1%	A
Commercial Services			
Repairs & Maintenance additional costs e.g. public conveniences (budgeted £0.08m)	50	62.5%	B
Shortfall in trade waste income for business rated domestic properties (budgeted £0.075m)	45	60.0%	C
Support Services			
Extra ICT support contract costs e.g. IEG4 software (budgeted £0.3m)	90	30.0%	D
Reductions in expenditure/additional income			
Customer First			
Extra planning income (budgeted £0.56m), in part due to customers submitting applications before the 20% fee increase set nationally in Jan 2018. Councils have committed to investing the extra 20% (from Jan) in their planning departments, following the Housing White Paper.	(370)	(66.1)%	E

Notes

- A. **Planning costs** – these additional costs of £50,000 are mainly a direct result of the increased number of planning applications received during 2017/18. Specifically, the additional legal fees were due to a Public Inquiry. The budget for planning legal fees was increased from £33,000 to £53,000 in the 2018/19 budget.
- B. **Repairs & Maintenance** – the repairs and maintenance costs are recharged to the Council by the Building Maintenance team. The additional costs in 2017/18 are due to multiple smaller repairs on a large number of public conveniences. Some of these repairs and maintenance costs were incurred due to vandalism.
- C. **Trade Waste income for business rated domestic properties** – the target for business rated domestic properties was based on a proportion of properties eligible for charges to be applied. As the Council is at the forefront of recovering these charges, we were unable to benchmark effectively against other Councils' data. Properties can choose to deal with the waste themselves or through a 3rd party other than the Council. Year 1 take up of our service was lower than expected. We are seeing this climb slightly but have reduced the

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income target for 2018/19 by £40,000 to reflect the actual income which we now expect with a robust collection system in place.

- D. **ICT costs** – there were additional costs in respect of ICT support contracts of £90,000 in 2017/18. The budget was increased by £40,000 in 2018/19 and a further £50,000 has been built into the Medium Term Financial Position for 2019/20 to better align the budget to actual expenditure.

The original ICT budget was set assuming that the Civica solutions introduced by the T18 Transformation Programme would perform as required. In practice, additional solutions were procured in order to maintain services where using the Civica solution was not practical. Purchase of the following systems, which were previously unbudgeted for, was required:-

- Northgate Land charges
- Clear Core (enables single customer record)
- IEG4 Revenues and Benefits to facilitate “My Account” for customers
- Northgate Gazeteer – address database
- IEG4 software – Automatic processing of changes of circumstances for revenues

The IEG4 software budget is funded by an increase in the housing benefit overpayment recoveries which have been built into the 2018/19 base budget as an income stream.

- E. **Planning income** – income from planning applications was £370,000 higher than the 2017/18 budget. This was due to the increased number of applications received. Additional income of £110,000 has been built in to the 2018/19 budget. This income target will be kept under review as it could be that some applications were being submitted earlier than normal due to customers anticipating the Government allowing Councils to increase planning fees by 20% from January 2018.