

Subjective variance analysis - 2019/20 Base to 2020/21 Base

Table 1 – Variance of 2019/20 to 2020/21 Base Budget

	2019/20 Base Budget £000	2020/21 Base Budget £000	Variance £000
Net cost of services (incl. Parishes)	19,919	19,732	(187)
Non service expenditure/ income	(4,691)	(4,415)	276
Net budget requirement	15,228	15,317	89
Funded by:			
Local Taxpayers - Parishes	(2,391)	(2,420)	(30)
Local Taxpayers - District Council	(6,241)	(6,397)	(157)
Retained Business Rates	(5,386)	(5,192)	194
Revenue Support Grant	0	(90)	(90)
Rural Services Delivery Grant	0	(484)	(484)
New Homes Bonus	(1,211)	(892)	319
Total Income	(15,228)	(15,475)	(247)
(Surplus)/ Deficit	0	(158)	(158)

Non-Service Expenditure and Income includes the adjustments for notional items that are required to be charged within Net Cost of Services, for example, International Accounting Standard 19 (IAS19) pension costs and capital charges. Table 2 provides a summary of the main movements in Net Cost of Services across the standard expenditure headings, with notional charges being shown separately.

Table 2 - Variance 2019/20 to 2020/21 Base Budgets (excl. notional charges)

	2019/20 Base Budget £000	2020/21 Base Budget £000	Variance £000	Percentage Movement %
Employees/Support Services	12,142	12,810	668	5.50
Premises	2,482	2,731	249	10.03
Transport	305	304	(1)	(0.35)
Supplies & Services	10,475	9,691	(784)	(7.49)
Transfer Payments	23,514	22,208	(1,305)	(5.55)
Income (External)	(33,871)	(32,834)	1,036	(3.06)
Total Direct Costs and Income	15,047	14,910	(137)	(0.91)
Notional Charges:				
Capital Charges	1,308	1,819	511	39.06
IAS19 Notional Charges ²	(252)	(260)	(8)	3.20
Reffcus ²	1,425	843	(582)	142,500.00
Total Notional Charges	2,481	2,402	(79)	(3.20)
Total Net Costs	17,528	17,312	(217)	(1.24)

The following provides a high level summary of the more significant variances between the 2019/20 base budget and the 2020/21 base.

Employee £668,136

- £466,917 Pay award
- £153,000 Increase in pensions deficit funding
- (£30,361) Fixed term salaries offset by grant (Community Housing Fund)
- £551,722 One-off use of reserves in 2020/21
- (£564,756) One-off use of reserves in 2019/20 ceasing
- £64,011 Growth including Planning Policy and Environmental Protection staffing
- £23,750 DT savings yet to be identified

Premises £248,951

- £203,351 Grounds maintenance contract inflation
- £14,042 NNDR Inflation
- (£6,480) Reduced Premises insurance (fire/general) & Factory Units
- £20,000 Temporary accommodation (PSL) / Hire of buildings
- £14,326 IDB Levy inflation
- (£25,675) Transfer from R & M reactive to Playgrounds repairs
- £35,900 Transfer from Cleansing contract to separate cleaning contract (Cromer Office)

Supplies and Services (£784,148)

- (£526,444) Reduced waste and cleansing contract costs across various service areas
- £16,716 Contract inflation – Norfolk Environmental Waste Services (NEWS) and IT
- (£160,000) District Elections funded from Reserves – one-off cost
- (£40,000) One-off procurement costs for waste/cleansing contract
- £49,800 Commercial waste disposal
- £60,000 Professional fees - Conservation & Landscape (funded from reserves);
Property services - Vertas - to be offset by Feed in Tariff - credit due direct from Central Government
- £27,000 Asset Valuation Programme - to be funded from Asset Management Reserve
- £20,665 Mammoth marathon
- £40,000 Extension of travellers sites leases
- £15,000 Bank charges and brokerage fees and general growth for software licenses and support costs
- (£16,668) Management fee – Pier Theatre
- (£61,237) No further discretionary grants to Parish Councils
- (£11,123) Branding exercise - one-off bid in 2019/20
- (£250,370) New contract for managing the Sports Halls
- (£38,760) One-off professional fees re homelessness (County money)

- (£19,000) One-off Sporting centre of excellence
- £25,675 Transfer from R & M reactive to Playground repairs
- (£35,900) Transfer from Cleansing contract to separate cleaning contract (Cromer Office)
- £77,578 Transfers into Homelessness and Temporary Accommodation budgets
- (£40,453) Balance of money from NN Community pot

Transfer payments (£1,305,199)

- (£1,341,651) Benefit Subsidy in line with reduction in benefit payments made, this is offset by a reduction in benefit subsidy made
- £35,270 Internal service charges

Income £1,036,158

- £1,341,651 Benefit subsidy based on rent allowance payments Mid-year estimate 2019/20
- £253,801 Funding from Benefits Reserve re 2017/18 likely overpayment repayment
- (£264,039) Fee Income – Garden bins, Commercial waste, Bulky waste collections
- (£28,025) Recycling credit income
- (£30,000) Other recoverable income – Homelessness/Temporary Accommodation
- £124,863 Non recurring grant income – Housing (Health & Wellbeing) grants ceasing - offset by reduced staff costs
- £30,390 Community Housing Fund - Other LA grant income
- (£254,752) Homelessness grant income
- (£38,163) Income transfer Housing (Health & Wellbeing)
- (£72,648) Grant Income – Electoral Registration & Health & Communities (2 link workers)
- (£52,838) Service Charges
- £30,000 Reduced DWP admin grant
- (£9,608) Increased capitalised salaries from Property Services