

**SIGNIFICANT VARIANCES IN REVENUE OUTTURN FOR 2009/10
(OVER £10,000) BY SERVICE**

Community Services

There is an overspend within the Community Services' service of £367,100 including the following significant variances:-

Disabled facilities grants

In accordance with the requirements of the 2009 Statement of Recommended Practice (SORP), deferred charges have been charged direct to the Income and Expenditure Account for the year. These total £415,400 in 2009/10 which are reflected in the management accounts as an overspend. The accounting treatment is such that these entries are funded from capital reserves and capital receipts and are reversed in the Statement of Movement in General Fund Balances. There is therefore no effect on the overall council position or the council tax payer for the year.

Community Services -training

There is an overspend of £26,200 on the overheads cost centre, including an overspend of £21,800 against the budget of £14,000 for the division's professional training. This is as a result of the commitment in 2009/10 to "grow our own" professional training to develop staff into 'hard to recruit' posts – mainly Environmental Health officers. There is an economy through not having to pay market supplements or advertising costs for posts to which applicants were not responding. The team are now back to the required level of capacity and the training costs required in 2010/11 will be within budget.

Housing Strategy

There is an underspend of £37,000 in Housing Standards as a result of a contribution received from Gloucestershire County Council in February 2010 in respect of Strategic Housing Market Assessment (SHMA) funds. This has been appropriated to the Housing Needs survey reserve to fund future expenditure.

Homelessness

There is a net underspend of £26,400 in the Homeless budgets, made up of the following:-

There is an underspend in the supplies and services budget of £8,200 for the year as a result of lower than expected expenditure.

There is a net underspend of £5,200 in the cost of provision of bed & breakfast accommodation for the year as a result of effective preventative work with individuals and their families and efficient use of furnished temporary accommodation.

The Choice Based Lettings system has now been implemented. The annual revenue budget of £13,000 was not needed in 2009/10 as the software costs for the first year of operation were included in the initial contract price.

Crime & Disorder

There is an underspend of £15,000 in the Crime and Disorder budgets, including £11,700 in respect of taxi marshalls. This includes additional funding received from Gloucestershire County Council and Gloucestershire Police. The taxi marshalling base budget is funded from the licensing reserve and the underspend has therefore been appropriated back into this reserve, to fund future taxi marshalling related expenditure.

Housing Standards

There is a net overspend of £15,400 in the housing standards budget, made up of a net underspend of £2,800 in supplies and services budgets and a shortfall of income of £18,200 in the Houses in Multiple Occupation register fees. The income budget for these fees has been set at £43,500 but it is anticipated that the annual income achievable is approximately £26,000 based on the current number of properties and fees set. This shortfall is therefore likely to re-occur in future years and the level of budget may need to be reviewed in 2010/11.

Health & Culture

There is an underspend within the Health & Culture service of £113,600 including the following significant variances:-

Health & Culture Management – cricket hall access arrangements

The budget of £13,700 carried forward from 2008/09 to fund feasibility work on the access arrangements for the cricket hall, under the Disability Discrimination Act has not been needed as the completed study has been funded from within the 2009/10 programmed maintenance budget. This budget is therefore unspent at the year end.

Youth Affairs

There is an underspend of £13,000 in LPSA grant money carried forward from 2008/09 for the provision of youth facilities / grants in Cheltenham. This underspend has been carried forward to be spent on committed "Preventing Child Poverty project" expenditure in the St Paul's, Oakley and Hesters Way areas in 2010/11.

leisure@

There is a net overspend in leisure@ budgets of £64,100, including the following main variances-

There is a shortfall of £39,300 in overall income against a revised budget of £1,384,500, representing a shortfall of 2.8% for the year.

There is an overspend in employee costs of £17,800, due to higher than budgeted wages expenditure in the earlier part of the year. Current staffing arrangements in place are expected to be within budget for 2010/11.

There is a net overspend in premises costs of £63,900, including a net overspend in the gas budgets of £73,400. This budget will be reviewed as part of the renewal of the gas and electricity contracts in 2010/11.

There is an underspend of £56,300 in the supplies and services budgets including the contingency budget of £50,000, set up to cover the re-establishment of trading following the re-opening of the centre after the floods. This has been used to offset the overspend in the year.

Leisure@ has performed well in terms of some key objectives engaging in physical activity. In the last year we have seen the provision of 45,000 under 16's free swims, 29,000 Active Life (50+) attendances, 16,000 £1 swims and a growth in the database by 51%. The attendances on the targeted sessions have exceeded expectation by over 100%. This has helped set firm foundations as we go into the next financial year.

Art Gallery & Museum

There is a net underspend in the Art Galley & Museums budgets of £25,400 for the year. This includes an underspend of £54,200 in the budgeted appropriation from the cultural development reserve to support expenditure on the Art Gallery & Museum development. This has been appropriated back to the reserve to fund the project expenditure in 2010/11. The operational net overspend for the year is therefore £28,800, including the following significant variances-

There is an overspend of £17,000 in employee costs. This is as a result of absence cover for long term sickness and redundancy costs incurred in the latter part of the year.

The 2009/10 budgeted café income of £8,100 has not been achieved, due to a short term contract having been put in place pending the temporary closure of the Art Gallery & Museum for redevelopment in the autumn 2010. This contract ensures continuity of the café service, but the terms have not generated the target commission income for the year.

There is a shortfall in the shop trading income of £9,600 against a budget of £22,100 for 2009/10. The level of trade has reduced in recent years and stock replenishment is now being restricted, pending the temporary closure of the Museum later this year.

The shortfall of income in these areas has been offset by an appropriation from the Art Gallery & Museum and Tourist Information shop reserves in 2009/10, set up for this purpose.

Playhouse Theatre

There is an underspend of £25,900 in the Playhouse Theatre budget, being the remaining tranche of the budgeted funding for improvements to the theatre. This has been appropriated back to the cultural development reserve to be paid to the Theatre to support the cost of improvements in 2010/11.

Entertainments

There is an underspend of £14,000 in the Town Hall and Pittville Pump Rooms budgets, including surplus income of £13,400 in the Pump Rooms catering commission income, mainly due to the success of wedding events held at the Pump Rooms. This income achievement comes after the Pump Rooms had its income budget increased by £20,000 within the revised budget.

Box Office

The budget of £70,000 carried forward from 2008/09 to fund the purchase of a new box office system has not been spent in 2009/10. This contract has now been awarded and the budget has been carried forward, to be spent on the implementation of the new system in 2010/11.

Ticket commission, telephone and postage income for all events whether held by CBC or by outside agents has surpassed expectations and has generated a surplus of £18,700 for the year.

Chief Executive and Policy

Neighbourhood Management Services

There is an underspend of £40,000 which is 2009/10 LABGI funding to support local capacity building. £10,000 is no longer required and has been appropriated back into the LABGI reserve and the remaining £30,000 has been carried forward to fund the project in 2010/11 as agreed by Cabinet on 16th March 2010.

Cheltenham Strategy Partnership

There is an underspend of £33,700 which is a carried forward from 2008/09 LAGBI funding. £9,000 has been carried forward into 2010-11 to complete the Local Carbon Partnership and the contribution towards the County Library scheme project. All other committed carbon reduction projects to deliver energy and carbon reduction savings will be met within 2010/11 budgets.

Community Pride

There is an underspend of £42,600 which is to be carried forward to 2010/11 for projects which were approved in July 2009. The grant applicant has twelve months to spend their allocation of grant.

Business & Economic Development

There is an underspend of £29,000 which is 2009/10 LABGI funding for assisting local businesses during the current economic climate. All of the £29,000 has been carried forward to fund grant payments in 2010/11 for Business Start up Schemes, Gloucestershire Enterprise Business Scheme and the Business Rent Grant scheme.

Audit

There is an overspend of £66,500 which is to be funded from an appropriation from the general reserve to fund the Shared Internal Audit Partnership for set up costs .

Human Resources (HR)

There is an under spend within HR of £22,900, including the following significant variances:-

Corporate Training

There is an under spend in the corporate training budget of around £19,300. All of this is requested to be carried forward to 2010/11 to meet planned training in project management for the organisational development strategy, service commissioning, issues in the public interest report, and the development of member working groups. All of the £14,000 under spend carried forward from 2008/09 for the Leadership Development Programme has been spent.

Customer Access & Service Transformation (CAST)

There is a net under spend within Customer Access and Service Transformation (CAST) of £152,000, including the following significant variances:

Housing benefits – Local Housing Allowance Grant

There is an under spend of £45,000 in the implementation of the Local Housing and Employment and Support allowances and other benefit changes budget for 2009/10. This budget, totalling £48,600, was made up of ring-fenced government grant carried forward from 2007/08 and 2008/09. Any unspent grant can be recalled by the government; however given costs are still being incurred in the implementation and on other benefit changes, the under spend has been appropriated to the Housing

Benefits equalisation reserve. This reserve exists to cover any future necessary spending on housing benefit changes and any unexpected reductions in subsidy due to the unpredictability of this demand-led service.

Housing and council tax benefits

The cost of rent allowances, rent rebates and council tax benefits paid out is wholly funded by government subsidy. In addition, subsidy is also be paid on overpayments made due to changes in claimant's circumstances (i.e. not due to local authority error). The unpredictability of this demand-led service, particularly in the level of overpayments, makes the net cost of this service difficult to estimate.

The final outturn shows a net under spend of £10,000 on rent allowances and £12,800 on Rent Rebates, however there is an over spend of £22,700 on council tax benefits. Overall the net cost for all three types of benefit was £210,682, compared to a revised budget of £210,600.

Council Tax – employee costs, supplies and services costs and grant income

There is a net under spend of £11,300 on these budgets, made up of £5,000 on council tax/business rates salaries arising from staff turnover; £5,000 on car and travel allowances, £7,000 on supplies and services (mainly on postages); £5,000 additional government grant received to help meet the costs of changes to the Council Tax demands notices, less £10,700 for renewal of software licences. The cost of the latter has been met from a reserve, earmarked for this purpose.

Business Rates – Discretionary Rate Relief

This £37,100 budget, made up of £12,100 ongoing base budget plus £25,000 one-off from LABGI for hardship relief, is under spent by £20,900. Since all of the under spend relates to the temporary hardship element, £20,000 has been carried forward (by the section 151 officer under delegated powers) to fund new applications in 2010/11.

Procurement and Service Development

These budgets are under spent by £12,000, £3,500 on procurement (mainly on salaries, due to staff turnover) and £8,500 on the website development and maintenance budget, mainly due to contributions from Tourism and Cheltenham Borough Homes. Of the under-spend £6,000 has been requested to be carried forward to help fund an upgrade in the website software.

ICT Infrastructure and Corporate Telecommunications

There is an under spend in the ICT infrastructure budget of £29,500, due to fewer hardware and software purchases, delayed due to resources being diverted on other projects and in ensuring all purchases meet government connect compliance. The under spend is offset by an over spend on the corporate telecommunications budget of £15,200, due partly to the need for additional telecom lines for business continuity purposes. The net under spend of £14,000 has been transferred to the ICT renewals and replacement reserve, to fund the hardware and software purchases delayed to 2010/11. The reserve exists to 'smooth out' the cost of hardware and software renewals, so that they do not fall unevenly over financial years.

ICT Services

There is an under spend within ICT Services of £43,500, mainly on salaries. These are under spent by £34,000 as a result of charging staff time to the Legal, Human Resources and GO7 shared service project budgets (see the Business Change paragraphs), which are part funded externally by other authorities. In addition there was an £8,000 under spend on miscellaneous hardware, software and repairs and

maintenance.

Financial Services

There is a net over spend within Financial Services of £24,000, made up of the following significant variances:

Treasury Management

There is an over spend of £13,600 on Treasury Management, comprising £6,600 on brokerage fees and £6,900 on consultancy and legal fees relating to recovery of the Icelandic bank investments. The brokerage fees arise from the replacement of long term borrowing with temporary borrowing, in accordance with the Treasury Management Strategy. The fees relating to the Icelandic banks have been incurred in submitting and reviewing the Council's claims to the banks' administrators.

Gloucestershire Airport

This cost centre is over spent by a net £9,700, made up of £14,000 additional consultancy and legal fees relating to the runway project and business case, offset by £4,300 additional rental income from the business park.

Legal & Democratic Services

There is a net over spend within these services of £6,000, made up of the following significant variances:

Legal Services

This service, which now operates under a shared service arrangement with Tewkesbury BC, has under spent compared to the revised budget by £33,100. The shared service commenced after the completion of the revised budget, and was expected to generate savings. These, together with savings which will accrue in future years, will more than cover the set up costs (which are shown in the Business Change section). Of the under spend £16,350 has been appropriated to a reserve, earmarked to cover the cost of planned additional office storage and equipment, consultancy fees, training and temporary staffing. The transfer represents 50% of the funds required for these items, with Tewkesbury BC transferring the same amount to reserves.

CBC v. Laird Case

There is an over spend on this budget of £56,300, which has been met from the General Fund working balance. Of this over spend, £15,000 related to external audit fees in connection with the audit review of the case.

Democratic Services

There is an under spend in this area of £20,700, made up of £10,000 on Democratic Services Unit (DSU) and £10,800 on Democratic Processes. The DSU under spend is mainly on salaries, due to savings in the temporary staffing budget and other staff changes. The saving on Democratic Processes is mainly on members' allowances and training, and on the printing of Cabinet and committee papers.

Elections

There is a net over spend on these budgets of £9,000, due to the local by-election and the effect of recent changes in legislation and regulations. The cost of the County and European elections is met wholly from grant from Gloucestershire County Council and the government. The over spend has been met from the elections reserve, which is used to spread the cost of elections across election and

non-election years, and which was increased by an overall under spend on these budgets of £15,000 in 2008/09.

Corporate Management & Administration

There is an under spend within this cost centre of £9,700, mainly on training for the corporate services division (£4,000) and on the hire of outside services (£4,000). The training budget included £4,000 carried forward from 2008/09, of which £3,700 has been spent.

Business Change

The Business Change budgets are under spent by a net £132,000, made up of the following significant variances:

Government Connect

The budget for this in 2009/10 was £24,000, comprising an annual £13,000 (base budget) plus £11,000 carried forward from 2008/09. Although work has been continuing on Government Connect, this budget is under spent by £10,000, due to the need to ensure all equipment purchases comply with the new standard. Given the need to continue with this essential work, a carry forward request for £9,800 has been approved by the Section 151 officer.

Invest to Save Projects

The budget for this in 2009/10 was £200,000, which Council agreed in June 2009 to earmark for set up costs for the Sourcing Strategy (comprising the GO7, Human Resources, Revenues and Benefits, customer services, ICT and procurement work streams), subject to agreeing the final business case. This budget is under spent by the full £200,000, due to delays in the approval of the business case. Since the funds are required for ongoing work the budget has been carried forward (by the Section 151 Officer under delegated powers) to 2010/11.

Shared Legal Services set-up costs

These totalled £79,300 in 2009/10 and have been met in the year from the General Fund working balance, which is being reimbursed from savings in the running costs of the service during 2009/10 and later years. In 2009/10 the savings were £33,000 (see Legal service paragraphs) and future years' savings are expected to more than cover the initial set up costs.

Environment

Development Control

There is an underspend on this cost centre of £63,000 as a result of additional income generated in the final quarter of 2009/10. Two major applications totalling £75,000 were received in February and March 2010.

Housing and Planning Delivery Grant

There is an underspend on this cost centre of £500,000 represented by the receipt of an additional Housing and Planning Delivery Grant funding allocation of £482,000 and project slippage of £18,000. This underspend has been appropriated to the Housing and Planning Delivery Grant reserve to finance expenditure in future years.

Civic Pride

There is an underspend on this cost centre of £71,000. This is due to slippage in project delivery of £41,000 following operational delays. Savings in expenditure of £30,000 have been achieved by undertaking the Accommodation utilisation survey in-house.

Land Charges

This cost centre is underspent by £15,000 following additional receipts above budget resulting from the slight upturn in the housing market and the subsequent additional transactions processed.

Property Services

There is an underspend on this cost centre of £23,000 resulting from a less than anticipated charge from the Councils consultants for the review of the authorities Asset portfolio. £2,000 of this underspend is requested to be carried forward to finance the costs of ICT projects in 2010/11.

Municipal Offices

This cost centre is underspent by £17,000 due to savings on routine repairs and maintenance. This follows on from the reduction in office reorganisations as required by the Strategic Review of Accommodation.

Swindon Road Depot

There is an overspend on this centre of £153,000. This is due to £144,000 of capital expenditure reclassified as revenue. An additional £9,000 has been incurred on premises related costs.

Miscellaneous Properties

There is an overspend of £86,000 on this cost centre. This is due to £32,000 of capital expenditure reclassified as revenue, £32,000 of expenditure on insurances and a shortfall in property rental income of £22,000.

Environmental Maintenance overheads

The underspend on this cost centre at year end is £49,000. This is due to a saving on supplies and services of £24,000 and employee costs of £25,000. £12,100 of this underspend is requested to be carried forward into 2010/11 to finance the cost of ICT projects.

Fleet Management and Maintenance

There is an underspend on this cost centre of £42,000. This is due to savings on expenditure of £27,000 on leasing costs following a reduction in the vehicle replacement programme for 2010/11. There was also £15,000 of additional income generated from external partners from the resale of liquid fuels.

Civil Emergencies

This cost centre is underspent by £148,000 at year end. This is due to project slippage of £87,000 following the adverse winter conditions and an additional £59,000 of income received in advance of project commencement. This underspend has been appropriated to the Flood Alleviation Reserve to meet the costs of future expenditure already programmed. A further £2,000 has been saved on supplies and services.

Shopmobility

This cost centre is underspent by £13,000 following savings on insurance expenditure of £10,000 financed in the previous financial year. Net supplies and

services costs are showing a saving of £3,000.

Sports and Open Spaces

This cost centre is underspent by £15,000 at year end. This is as a result of £10,000 additional s106 funding for Springfield Park and £5,000 additional funding from the Rural Payments Agency. £7,500 of this underspend is requested to be carried forward into 2010/11 for the Leckhampton Dry Stone Walling project match funded by Natural England.

Allotments

The overspend on this cost centre is £62,000. This is due to £65,000 of capital expenditure reclassified as revenue. A saving of £3,000 has been achieved on supplies and services.

Cemetery and Crematorium

There is an overspend on this cost centre of £24,000. This is due to greater than anticipated premises costs resulting from the grounds maintenance contract of £16,000 and employee costs of £8,000 both associated with premises security.

Concessionary Fares

This cost centre is overspent by £26,000 which is a direct result of the additional cost of journeys undertaken by concessionaires on bus services provided by the other minor Operators i.e. non Stagecoach services.

Off-Street Car Parking

There is an overspend on this cost centre of £211,000 at the year end. This is due to a reduction in income of £211,000 against revised budget. £100,000 of this income reduction is directly attributable to the severe winter weather in the post Christmas period. The remaining income shortfall of £111,000 is a result of a reduction in fee and fine receipts.