

SIGNIFICANT VARIANCES IN REVENUE OUTTURN FOR 2018/19 (OVER £50,000) BY SERVICE

CHIEF EXECUTIVE

There is a net underspend of £28k within the Chief Executive Directorate in 2018/19 including no significant variances over £50k

FINANCE AND ASSETS

There is a net underspend of £30k within the Finance and Assets Directorate in 2018/19 including no significant variances over £50k

PEOPLE AND CHANGE

There is a net underspend of £92k within the People and Change Directorate in 2018/19 including the following significant variances over £50k:-

Housing Benefits

There is a net underspend of £118k in Housing Benefits. This is due to £85k of Salary savings and £3k surplus income. The remaining underspend was due to a reduction in the bad debt provision required and other small rent allowance and subsidies surpluses.

Project Management Services

There is a net overspend of £52k in Project Management Services. This is due to an invest to save initiative of £7k with IT Software for a new document storage system (Glasscubes), this change will lower the annual costs by £8k from the previous product and £15k of income not received (recharge of staff to other organisations). The remaining amount is due an agreed salary investment for a Governance Manager which has been offset by savings in Corporate Management.

PLACE AND GROWTH

There is a net overspend of £176k within the Place and Growth Directorate for 2018/19 including the following significant variances:-

Building Control

There is a net underspend of £55k in building control fee earning work for the year. This is due to staff savings of £44k generated due to a policy of employing trainee employees. There is a lack of experienced qualified building control individuals in the market so we are growing our own for the future. The remaining surplus was due general expenditure cost savings of £11k during the year.

Development Control

There is a net overspend of £91k in Development Control (Planning) in 18/19. This is due to reduced applications resulting in reduced income of £45k. There was also an overspend in salaries / agency staff of £97k due to the head of planning role being vacated and agency staff replacing in the short term. A permanent employee is now in place for 2019/20. There was however a saving in consultancy advice of £51k.

Housing Standards

There is a net underspend of £75k in the Housing Standards. This is due to £12k additional licensing income for houses with multiple occupancy, £51k of staff savings during the year and £12k underspend of supplies & services budgets.

Sports & Open Spaces

There is a net underspend of £51k in the Sports & Open Spaces budget, This includes £23k additional income from hirers and rentals and £28k savings in the councils ground maintenance contract.

Regulatory and Environmental Services Transformation

There is a net overspend of £187k in Regulatory and Environmental Service Transformation which has been offset against the various over and under spends across the directorate. This money has been used to invest in new initiatives such as Marketing Cheltenham, the commercialisation of the Place and Growth directorate and the continued improvement programme across the directorate.

Car Parking – Off Street Operations

There is a net reported overspend of £100k within Car Parking. This is due to additional costs incurred against the significantly improved income throughout 2018/19 (e.g. through the introduction of enhanced card payment facilities). Car parking income increased from an original budget of £4.1m, to an outturn for the year of £4.4m, which is up from an outturn £3.6m in 2017/18 (i.e. up 22.2% over 2 years). When these income budget targets were significantly increased, the associated costs were not realigned, resulting in the net reported overspend in this area against the revised outturn estimate.

Joint Core Strategy

There is an £71k underspend in the Joint Core Strategy funding. This is due to £60k of funding (a previous one-off growth bid) not being spent and no longer required. There was also £11k of items where costs have been taken elsewhere within the Council. A review of the current budget for phase 2 of the JCS is taking place and will be input into the 2020/21 Budget process.

Arle Road Nursery Operations

There is a shortfall of £128k within the Arle Road Nursery. The decision to close the Arle Nursery was made by Cabinet on the 10th July 2018 due to the ongoing significant investment needed into the Nursery (over £2.5m over the next 10 years) along with the declining sales of plants produced to other local authorities and 3rd parties. Within the Business Case for this, there were £396k of savings over a 10 year period due to reduced maintenance, business rates, gas and electricity, reduce Ubico costs for running the site and other site specific costs. However due to the timing of the closure, we have been impacted in the 1st year by a loss of plants sales and retained costs as the site has not been disposed of as of yet. Therefore, the shortfall in 2018/19 is due to this delay in disposing and therefore a reduced saving in the financial year to cover the loss of the plant sales income which happened when the site was closed. The business case for the £396k saving did not take into account the capital receipt that will be received on disposal or the possible income from Council Tax, New Homes Bonus or Business Rates depending on what happens with the site in the future.