

Appendix 4: 2020/21 SERVICE BUDGET VARIANCE ANALYSIS (above £50,000)

Ref	Over/(under)spend (Net of VAT)	Cost Centre	Cost Centre Name	Explanation
CHIEF EXECUTIVE DIRECTORATE				
CE1	93,071	COR001	Corporate Management	There is a net overspend of £92k within Corporate Management in 2020/21 which is due an increase in the cost of audit (£30k) and valuation services (£30k). The cost of audit services increased due to the addition work required to be undertaken to provide assurance over the Statement of Accounts during the pandemic. Similarly, the cost of valuing our assets has increased as fewer firms are now operating in the market who are able to provide the advice required to inform the Statement of Accounts. The remaining overspend is due to legal fees relating to North Place.
FINANCE & ASSETS DIRECTORATE				
FA1	-141,342	ADB101	Municipal Offices	The budget for the cost of the Municipal Offices is £141k underspent. As the building has been closed to the public for the full period, the operational cost of running the building has been significantly below budget. For example, spend on electricity was £35k below budget. Additionally, the maintenance work undertaken on the building has resulted in a £90k underspend on the reactive repairs base budget.
FA2	130,760	ADB103	Cheltenham Depot	There is a net overspend of £131k in the Depot. Within the year, £30k was spent on additional security and over £65k on reactive repairs, particularly to the roof. The service charge income to offset these costs was also £20k under budget as a result of a credit balance for water supply having to be passed back to the tenants.
PEOPLE AND CHANGE DIRECTORATE				
PC1	-54,305	HBA001	Housing Benefit Administration	The Housing Benefit Administration budget is £54k underspend on salary costs where vacant posts in the team have not been able to be filled due to resource being prioritised to deliver the business grant programmes.
PC2	148,098	HBP001	Rent Allowances	The rent allowances budget is £148k overspent as the budget assumptions used to forecast the subsidy received on overpayments of housing benefit are hugely volatile and depend on where and what type of accommodation our customers are placed in. The assumptions will be reviewed throughout 2021/22 and revised if needed in the 2022/23 budget setting process.
PC3	-63,444	LTC011	NNDR Collection	There is an underspend reported on NNDR Collection as £354k of New Burdens Administration grant was received in 2020/21 to support the costs of delivering the business support grants throughout the pandemic.
TOTAL PLACE & GROWTH DIRECTORATE				
PG1	-67,809	BUC001	Building Control - Fee Earning Work	There is an underspend of £67k on building control due to operational costs such as protective equipment, stationary and mileage not being incurred in line with the budget when the service operation was limited during the pandemic.
PG2	-91,921	DEV001	Development Control - Applications	The development control application budget was £91k underspent in 2020/21 as the spend on legal expenses and court costs was significantly reduced due to temporary planning changes not being challenged and challenges to approved applications more generally being reduced.
PG3	-154,721	OPS001	Parks & Gardens Operations	The maintenance and upkeep of our parks, gardens, streets and open spaces is commissioned to Ubico. In 2020/21, a £200k underspend was reported by Ubico on activities undertaken for Cheltenham Borough Council, this was due to reduce costs of diesel, capital asset charges and less than expected costs of employee leave. Our allocation of this underspend and a decrease in our own central operational costs such as equipment has resulted in an underspend on both these cost centres.
PG4	-137,000	OPS002	Sports & Open Spaces Operations	The maintenance and upkeep of our parks, gardens, streets and open spaces is commissioned to Ubico. In 2020/21, a £200k underspend was reported by Ubico on activities undertaken for Cheltenham Borough Council, this was due to reduce costs of diesel, capital asset charges and less than expected costs of employee leave. Our allocation of this underspend and a decrease in our own central operational costs such as equipment has resulted in an underspend on both these cost centres.
PG5	-150,237	RYC006	Recycling Collection Schemes	This underspend is mainly due to an increase of £117k of income generated from recycling credits than originally set in the budget, a result of the increase in recycling in the town as residents worked from home.
PG6	89,744	RYC008	Bulking Facility	There was a negative impact on material sales income due to Brexit and COVID-19 combined with the volatile global market conditions with over supply of some materials resulting in significantly lower prices per tonne.
PG7	-86,131	STC001	Street Cleaning	The maintenance and upkeep of our parks, gardens, streets and open spaces is commissioned to Ubico. In 2020/21, a £200k underspend was reported by Ubico on activities undertaken for Cheltenham Borough Council, this was due to reduce costs of diesel, capital asset charges and less than expected costs of employee leave. Our allocation of this underspend and a decrease in our own central operational costs such as equipment has resulted in an underspend on both these cost centres.