

SIGNIFICANT VARIANCES IN REVENUE OUTTURN FOR 2011/12 (OVER £50,000) BY SERVICE

WELLBEING & CULTURE

There is a net underspend within the Wellbeing & Culture service of £148,300 including the following significant variances:-

Town Hall & Pittville Pump Rooms

There is an under spend of £79,100 to report for the Entertainments Division in 2011/12. There is a net under spend of £44,200 for the Town Hall. This was due to an increase in sales for CBC promoted events and agency tickets during the final quarter of the financial year.

Pittville Pumps Rooms had a net under spend of £34,900 for 2011/12. Lettings income and catering income was up by £23,600 against budget and there was also an under spend of £9,000 on premises costs. The remaining £2,300 under spend occurred on supplies and services.

COMMISSIONING

There is a net underspend within the Commissioning Directorate of £188,800 including the following significant variance:-

Youth Affairs

There is an under spend of £64,100 for 2011/12 due to grant payments made to voluntary youth projects in 2011/12 having twelve months to spend their allocation. The balance remaining has been requested to be carried forward into 2012/13.

BUILT ENVIRONMENT

There is a net under spend within the Built Environment Directorate of £617,700 including the following significant variances:-

Business & Economic Development

There is an under spend of £137,000 for 2011/12 which is made up of an under spend of £102,200 on the Promoting Cheltenham Fund which has been requested to be carried forward into 2012/13. The successful grant applicants in late 2011 have a year to complete their projects and receive the grant payment. A £10,000 under spend of LABGI funding carried forward from 2010/11 and further under spends of £27,200 through savings on employee costs and supplies and services are to be carried forward into 2012/13 to fund Joint Core Strategy Economic work.

Cheltenham Environmental Fund

There is an underspend of £114,900 for 2011/12 for which a carry forward request has been made. The funding is split into various different projects which will be completed in 2012/13.

Civic Pride

There is an under spend of £120,700 on this cost centre as anticipated expenditure was not required in the current year. Future expenditure will be required in line with the ongoing progress of the Cheltenham Development Task Force. £111,500 has been appropriated back to the Civic Pride reserve for future use.

Homelessness

There is a net underspend of £65,400 for 2011/12 including £59,700 underspend in non-ring fenced Local Housing Support Grant funding received in 2011/12. This underspend has been requested to be carried forward to support homelessness expenditure in 2012/13.

OPERATIONS

There is a net underspend of £45,500 within Operation Services for 2011/12. There are no significant variances (in excess of £50,000) to report.

RESOURCES

There is a net underspend of £168,000 within the Resources Directorate for 2011/12 including the following significant variances:-

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 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.

Overall the outturn on benefits (rent allowances, rent rebates and council tax benefits) was a net credit of £235,000 compared to an estimated net credit budget of £189,500, an increased credit of £52,400. This credit has been transferred to the Benefits Equalisation Reserve to meet any shortfalls in the budget in the future.

Following a recent audit report and on the advice of the Benefits Manager, there is a recommendation to increase the size of the bad debt provision for benefit overpayments, as a result of the government's proposed change from the current benefits system to universal credits. This change could mean that any outstanding debts may not be recoverable against future benefit payments, leaving the council to finance any write offs, without receiving any corresponding subsidy.

Before any unbudgeted transfers, the bad debt provision as at 31st March 2012 for benefit overpayments was £407,100 (representing 44% of the debt outstanding). The audit recommendation is that the provision should be at least 75% of the level of outstanding debt by 2017. The advice of the S151 Officer, reported to council in June 2011, was that over the next few years the council look to increase the provision further through further realignment of the benefit related reserves or from any future under spends. A transfer of an additional £200,000 has therefore been made to the bad debt provision from the overall under spend, so that at 31st March 2012 it now represents 65% of the debt outstanding.

The council remains committed to supporting people who are currently in receipt of benefits under the current scheme in the transition to universal credits.

ICT Infrastructure

There is an under spend in the ICT infrastructure budgets of £112,800 as a result of the programme of ongoing desktop replacement being delayed due to resourcing issues. A carry forward request for £82,700 has been made to support the ongoing programme in the new financial year.

BUSINESS CHANGE

The Business Change budgets are under spent by a net £371,600 made up of the following significant variances:

Revenues & Benefits Sourcing Strategy

The Revenues & Benefits Sourcing Strategy budget of £166,700 has not been spent in 2011/12. A carry forward request has been made for this money to be used to continue to progress shared working arrangements for the Resources Directorate with other councils, including £141,700 for a potential shared ICT service.

Organisational & Development Work

There is an underspend of £53,500, against the budget of £80,000 for the year. This funding was agreed by council to support the significant business change required in order to deliver some of the councils key projects including GO. Outstanding funding is allocated to supporting the use of Achieve Breakthrough within our new partnership arrangements; for interim procurement capacity; for support for the implementation of GO; for learning and development of staff in support of commissioning, and for external advice to the Leisure and Culture review. A request has been made for the underspend to be carried forward to complete the work streams in 2012/13.

Waste Company

There is an underspend in this budget of £105,800 at the year end. This budget is to fund the one-off set up costs of Ubico over the period 2011/12 and 2012/13 and a request has been made to carry forward this budget to fund the remaining set up costs of Ubico in 2012/13.