

## Appendix 4 - Significant Variances 2023/24

Ref	Over/(under) spend after transfers to/(from) reserves £	Service Area	Budget Holder	Explanation
<b>Communities and Place Directorate</b>				
CP1	142,124	Waste, Recycling & Street Cleaning	Karen Watson	The overspend is due to a combination of factors. Key reasons include an overspend of £58k on provision of receptacles and additional costs for in-cab technology due to the timing of invoices in the first year of operation. There was also a shortfall of £45k in income from kerbside recycling material sales due to lower volumes, material quality and the volatility of the markets. The trade waste service faced a £45k overspend due to a drop in income combined with increased tipping charges. Furthermore, the Ubico contract exceeded revised budgets by £73k, representing a 0.9% increase, primarily due to repair costs for the pick line and baler in the bulking facility.
CP2	-50,979	Communities, Wellbeing & Partnerships	Richard Gibson	Majority of the underspend relates to the admin fee for years 2021-2023 (£32k), which we have only now accounted for. Further £10k relates an underspend from activities such as Pensioners Tea Dance and Bands in the Park that did not take place and another £9k relates to commitments in 24/25
<b>Finance, Assets &amp; Regeneration Directorate</b>				
FAR1	148,552	Bereavement Services	Ben Jenkins	Income was £89k lower than expected at revised budget stage (-3%). While total income for the year was up 1.5% on prior year, income in the 2nd half of the year was lower than forecast (2% lower than for the same period in 22/23).  Costs were £60k higher than in the revised budget. The main drivers of this were; 1) Tree works that needed to be completed for Health and Safety reasons (£12k), 2) Utility bills being higher than forecast (£12k) and 3) Vehicle maintenance costs via Ubico being higher than anticipated (£10k)
FAR2	480,178	Property & Assets + Capital Charges	Gemma Bell	The total net budget for property and assets is £8.568m and includes staffing costs, all operational costs of managing our properties, utilities for all our properties and facilities and business support. The key overspends in this area relate to the following: 1. Significant repairs and maintenance work which was required to be undertaken at the Cheltenham Depot in order that the buildings and infrastructure remained safe for Ubico and Cheltenham Borough Homes to operate from. Some of these costs are recharged through the lease agreements but the Council are still required to absorb a proportion of these. (£172k) 2. There has been continued anti-social behaviour at Town Centre East car park. Reactive repairs work has been required to be undertaken to repair the damage and ensure the car park can remain open in line with our lease obligations for the site. (£54k) 3. In 2023/24 there was RAAC concrete identified in the Leisure@ and remedial works were required to make the high risk areas safe. There was also remedial works required in the Pittville Pump Rooms. Although the capital reserve was used to offset some of this expenditure, there was still an overspend because of the complexity of the work required. (£154k) 4. The Municipal Offices have previously been let to tenants and the rental income has been used to offset the ongoing costs of the operating and maintaining the building. A key tenant has vacated which has impacted the income budget which has been adjusted in 2024/25 with net expenditure on the site now increased. (£99k)
FAR3	-64,063	Housing & Communities	Martin Stacy	CBC's homelessness cost centres receive a variable level of grant income each year and the service manager is often notified of this within the current year, which makes it challenging to match service provision with grant income levels. In 2023/24 we granted various windfall grant funding for homelessness and rough sleeping services. Most notably was £210k additional Homelessness Prevention Grant funding to support homelessness arising from the Ukrainian crisis. Other windfall grants included £20k towards emergency accommodation for rough sleepers during periods of cold weather, and £54k for move-on and prevention funding for rough sleepers and those at risk of rough sleeping. These were on top of the £384k Homelessness Prevention Grant that was expected to be provided to this authority. Ultimately these windfall payments have given rise to a significant underspend as some of the grants (particularly the £210k) could be used to offset base budget spend.
FAR4	-345,549	Major Dev and Building Control	Paul Minnis	Within Major Developments, The £179k positive variance was mainly driven by underspends on Professional fees (£86k), Consultancy fees (£45k) and also a saving on the Holmlea farm demolition project (£24k).  Within Building Control, the £166k positive variance was predominantly (£120k) due to a change in the agreed rechargeable building control works to Tewkesbury Borough Council relating to the years 2019-2023. In addition to this, there were cost savings on supplies and services.
FAR5	-53,090	Business Rates & Council Tax	Jayne Gilpin	Within the Business Rates and Council Tax areas, there are budgets totaling over £1.2 million. While there is a small underspend related to staffing and other minor expenditures across the service, although this underspend is above £50k is not significant when considering the budget as a whole.
FAR6	69,736	Housing Benefits	Jayne Gilpin	Despite the transition from Housing Benefit to Universal Credit for many recipients, the overall annual Housing Benefit expenditure remains constant. However, the composition of this expenditure has changed, with a significantly higher proportion of claims coming from non-Housing Association supported accommodation. These claims do not receive full Housing Benefit subsidy, resulting in a greater contribution required from the local authority to offset the subsidy loss.
FAR7	89,171	Interest and Investment Income	Gemma Bell	The overspend on the investment property budget is because there has been more vacant space than budgeted at Ellenborough House. When space is vacant, there is lost rental income but also the Council has to cover the business rates and service charge for the space. In June 2024 a significant amount of the vacant space was let and this variance should be mitigated in future years.