Appendix 4 - Significant Variances 2025/26

Ref	Over/(under)spend after transfers to/(from) reserves £	Revised Budget 2025/26	Percentage Over/(Under) spend	Service Area	Budget Holder	Explanation
Chief Executive Directorate						
CE1	58,391	810,412	7.21%	Corporate Resources	Ann Wolstencroft	This service area is reporting an overspend of £58,391. Of this, £50,000 relates to a review of the allocation of costs shared between the General Fund and the Housing Revenue Account (HRA), resulting in a greater proportion of costs being held within the General Fund. The service area contains all Director costs and a range of corporate overheads, including corporate subscriptions, professional fees, audit fees and other central corporate expenditure. The remaining variance reflects other minor pressures across these corporate cost areas during the year.
CE2	65,418	1,204,278	5.43%	Support Services	Ann Wolstencroft	This service area is reporting an overspend of £65,418. Of this, £60,000 is primarily due to increased staffing costs within the Health and Safety team, reflecting additional resource requirements to support the Council's health and safety responsibilities and compliance obligations.
Communities and Place Directorate						
CP1	54,330	223,660	24.29%	Communications & Marketing	Katie Sandey	The Communications and Marketing service area is reporting an overspend as a result of changes to the allocation of costs shared between the General Fund and the Housing Revenue Account (HRA). The recharge methodology has been reviewed based on service activity during 2025/26 to better reflect the level of support provided to each area. As a result, a lower proportion of costs are now being recharged to the HRA, with a greater share being held within the General Fund.
CP2	-200,617	828,674	-24.21%	Planning & Enforcement	Chris Gomm	The Planning service area is reporting an underspend of £200,617. This variance is primarily due to higher-than-anticipated planning fee income, with a significant level of income received during Quarter 4 of the financial year. Due to the timing and unpredictable nature of planning applications, it can be difficult to accurately forecast both the value of income and the financial year in which it will be received.
Finance, Assets & Regeneration Directorate						
FAR1	-51,028	277,070	-18.42%	Commercial & Income Generation	Sanjay Mistry	The Commercial and Income Generation service area is reporting an underspend of £51,028 as a result of changes to the allocation of costs shared between the General Fund and the Housing Revenue Account (HRA).. The service is responsible for the development and maintenance of the Council's in-house Netcall system, together with the management and support of the corporate cash receipting system, both of which are utilised by HRA services as well as the General Fund. As a result, a greater proportion of costs are now being recharged to the HRA. This revised approach represents a fairer and more appropriate allocation of costs between the General Fund and the HRA, based on actual service usage and the benefits derived during the year.
FAR2	83,845	5,788,571	1.45%	Property & Assets	Louise Eite & Richard King	The Property and Assets service area is reporting an overspend of £83,845. This variance is primarily due to an overspend of £110,000 utility costs across the Council's operational assets, together with overspends on property management staffing costs andf legal costs associated with the planned sale of assets. These pressures have been partially offset by an underspend of £120,000 following the opening of Minster Exchange and the inclusion of the associated Minimum Revenue Provision (MRP) costs within the base budget. The remaining variance relates to a number of smaller underspends across the service area
FAR3	-219,627	548,265	-40.06%	Housing & Communities	Martin Stacy	Housing & Communities received homelessness grant funding of £1,016k for the 2025/26 financial year (this includes an additional 'windfall' payment of £76k received in the final quarter of 2025/26). The grant funding conditions mean that part of the work required was already funded by our base budget. Whilst this grant funding increased by £405k in 2025/26 we already anticipated changes in the funding formula for 2026/27 onwards. In particular, from 26/27 Cheltenham will be required to make a direct contribution to the provision of county-wide rough sleeping services from its homelessness prevention grant of up to around £425k, whereas for 2025/26 and in previous years these costs were met from a separate pot of grant funding. Our approach for 2025/26 means that approximately £220k of the 2025/26 grant will be available to support general balances within the Housing Options Service at year end, whilst ensuring that Cheltenham can meet all of its rough sleeping commissioning commitments for 26/27 without adversely affecting general balances.
FAR4	-189,052	-2,866,815	-6.59%	Car Parking	Jayne Gilpin	The Car Parking service area is reporting an underspend as a result of strong income performance and cost savings achieved during the year. Car parking fee income remained robust throughout 2025/26 and was £113,000 higher than forecast at the re-budget stage, reflecting continued demand across the Council's car parking facilities. In addition, the service achieved a number of expenditure savings, most notably a £67,000 saving on service charges at Regent Arcade Car Park.
Interest, Investment Income						
INT1	117,287	-1,709,465	6.86%	Interest and Investment Income	Jon Whitlock	The Interest and Investment Income service area is reporting an overspend of £117,287. This variance is primarily due to a £224,000 reduction in recharges to the Housing Revenue Account (HRA) as a result of slippage within the HRA capital programme during 2025/26, leading to a lower recovery of debt financing costs from the HRA. This pressure has been partially offset by additional investment income of £52,000, reflecting higher balances held in investment accounts during the year, and an additional £55,000 surplus from the investment property portfolio, driven by a reduction in property vacancies and improved rental occupancy levels.
Funding						
FUN1	151,046	-19,610,335	0.77%	Funding	Jon Whitlock	Funding is reporting an adverse variance of £151,046. Of this, £150,000 relates to a planned contribution from a small percentage of capital receipts generated during the year. Due to the timing of capital receipts being received and the conditions required for this contribution to be applied, the anticipated funding could not be recognised in 2025/26.