

Appendix 3 - Quarter 2 budget report

Chief Executive

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	262,751	254,865	7,886	1
Premises	0	0	0	
Transport	0	0	0	
Supplies & Services	8,160	17,656	(9,496)	
Payments to Third Parties	0	0	0	
COVID-19 Costs	0	0	0	
Income	0	0	0	
TOTAL	270,911	272,521	(1,610)	

1) The saving on Employee costs is as a result of the Chief Executive no longer paying into the pension scheme.

Community Services

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	1,358,594	1,340,380	18,214	2
Transport	900	103	797	
Supplies & Services	142,479	145,942	(3,463)	
Payments to Third Parties	5,500,704	5,615,294	(114,590)	3
COVID-19 Costs	0	75,303	(75,303)	4
COVID-19 Recovery	0	100,000	(100,000)	5
Ringfenced Projects and Funding	0	0	0	
Income	(2,328,096)	(2,690,235)	362,139	6
TOTAL	4,674,581	4,586,787	87,794	

2) The favourable variance of £18k includes the following:

£30k saving due to the Planning Liason/Contaminated Land Officer vacancy, this post will remain vacant for the majority of the year, we have been using Bromsgrove DC for Planning advice, these costs are included in Payments to Third Parties.

The Community Safety/ASB Coordinator post was vacant for part of the year equating to £14k

£16k favourable variance as various posts in Environmental Health are part time but are budgeted as FTE

£12k favourable variance as the Licensing & Systems Officer reduced his contracted hours

Environmental Health Manager post is £12k over budget as the role has been backfilled through an agency

£11k adverse variance as the Ubico Contract Manager role was temporarily backfilled through an agency during the recruitment process

3) The adverse variance of £115k is due to the following:

Ubico informed us that due to the national driver shortage, from September they will need to increase the drivers hourly rate by a market supplement, this equates to £68k this financial year.

Ubico are no longer the provider of the Bulky Waste Collection service, currently there is a cost for the extra resource of £30k which needs to be redeployed. We are currently working closely with Ubico to reduce this cost and utilise the extra resource within other service streams.

There has been a significant increase in flytipping which Ubico predict will be £11k over budget.

Ubico are also projecting an additional £15k to the Trade Waste Service.

£35k to be spent on Domestic Abuse which is offset against the £35k grant we have received, which is included in income.

We have seen a reduction in the MRF gate fee which we expect for the foreseeable, this is due to transferring the MRF gate contract to the new provider and a reduction in waste rejection, which in turn has reduced costs by £108k. We also received a £20k credit note from Suez relating to 20/21, which was unforeseen.

£25k adverse variance due to obtaining planning advice from Bromsgrove District Council as we currently do not have the resource in house as the Planning Liason & Contaminated Land Officer post is vacant.

We have seen a large increase in demand of emergency accommodation which we project to be £32k over budget, this overspend will have to be funded by the homelessness grant.

£20k adverse variance as the pharmacy collection of NHS sharps for 21/22 was omitted from the budget.

4) Breakdown of COVID expenditure:

Ubico costs for extra PPE, staffing, sick pay, cleaning materials etc..expected to be £50k by the end of the financial year

£20k - Environmental Health Manager's resource on COVID related matters.

5) Breakdown of COVID recovery expenditure:

We have £100k to spend by 31st March 22 on COVID related matters.

6) Breakdown of £362k favourable variance:

£216k homelessness grant received

Due to a decrease in residual waste we are expected to receive £40k more in recycling credits this year.

The bulky waste service is expected to generate an additional £27k by the end of the year.

Domestic Abuse grant of £35k not within base budget

Income received from the garden waste service is currently £11k greater than budget

We have generated an additional £19k from the trade waste service.

Corporate Services

Full Year Budget £	Projected Outturn £	Savings / (Deficit) £
--------------------------	---------------------------	-----------------------------

Employees	2,147,308	2,138,323	8,985	
Transport	0	0	0	
Supplies & Services	642,093	621,048	21,045	7
Payments to Third Parties	172,800	161,623	11,178	8
Transfer Payments - Benefits Service	13,544,132	13,529,942	14,190	9
COVID-19 Costs	0	160,957	(160,957)	10
Income	(14,032,426)	(14,143,686)	111,260	11
TOTAL	2,473,907	2,468,206	5,701	

7) The projected underspend of £21k mainly comprises; procurement of new broadband contract (£4k), reduction in printer usage (£3k) and procurement of new landline configuration (£11k).

8) The bulk of the £11k underspend is in relation to council tax and business rates court fees totalling just under £9k.

9) Budget is performing well with minor variances in housing benefit overpayment recovery.

10) Relates to the service's response to the pandemic including £150k staff costs (additional hours and agency) and £13k additional equipment eg ICT related.

11) Additional £34k relates to the recovery of summons/court costs as a result of council tax recovery being re-instigated. £44k is receipt of government grant through new burdens funding and £16k payment relating to a legacy fraud case.

Democratic Services

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	278,230	254,130	24,100	12
Premises	0	15,455	(15,455)	13
Transport	9,600	9,249	351	
Supplies & Services	452,785	536,786	(84,001)	14
Payments to Third Parties	37,100	49,891	(12,791)	15
COVID-19 Costs	0	0	0	
Income	(3,000)	(178,264)	175,264	16
TOTAL	774,715	687,247	87,468	

12) A full time vacant post gives a saving of £43k. This is offset against some overtime to cover maternity leave.

13) Rental charges for Police and County Elections. These election costs are fully reclaimable and there is grant income to offset.

14) Other election fees that are fully reclaimable and income is shown above.

15) Other election fees that are fully reclaimable and income is shown above.

16) Grant income - mostly relating to Police and County Election - May 2021

Deputy Chief Executive

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	125,845	0	125,845	17
Transport	200	0	200	
Supplies & Services	2,400	0	2,400	
Payments to Third Parties	0	150	(150)	
TOTAL	128,445	150	128,295	

17) Deputy Chief Exec post has been vacant all financial year and post is to be removed from establishment from 2022/23

Development Services

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	2,049,431	1,995,155	54,276	18
Premises	43,320	40,977	2,343	
Transport	0	2587.9	(2,588)	
Supplies & Services	204,885	197,571	7,314	
Payments to Third Parties	311,795	292,812	18,983	19
COVID-19 Costs	0	0	0	
Income	(1,391,122)	(1,501,903)	110,781	20
TOTAL	1,218,309	1,027,200	191,109	

18) The employee variance of £54k relates to savings across the Development group. The Planning Department has recently experienced a number of internal moves, resulting in new posts being made vacant. These have gone out for recruitment. Planning policy have a vacant senior Policy Officer, this is also currently being recruited. Moreover, the policy manager is contracted to work 7 hours less a week than budgeted for. The remaining salary savings within Development is the Tourism post. The remaining savings are to be allocated to the Development Service review. However, nothing is yet committed so the saving is being shown.

19) Planning Appeal costs already total almost £100k at Q2. Some expenditure has been reallocated to provisions. Any other expenditure should now be allocated to the earmarked reserve, where we have £140k. The Tourist Information centres would usually purchase tickets for resale. Due to COVID, large events have still not gone ahead. As a result, there is an anticipated saving of £29k where these tickets have not been purchased. This does also give a negative variance on the income budget where we've not sold them on. £10k of this saving is being reduced by a predicted overspend in agency planning advice and support. The overspend in this area aligns with the number of planning applications received this financial year. It's also reflected in the planning income surplus.

20) Planning income is expected to be above target by year end. A £250k application was received from the MOD in Q1. This was not included in the original income forecast for the year and therefore is a gain. At this point in the year there are no plans to commit the planning income surplus to other projects. This is because the remaining applications, expected to be submitted, are not guaranteed. Moreover, pre-app income is down on budget. This is difficult to predict so, to be prudent, we've assumed the trend will continue. This would result in an overall estimated shortfall of £20k. There is also a high court decision due on speculative development sites. This is having an impact on the amount of pre-planning applications being submitted. Finally, the Tourist Information Centres will have a likely shortfall of £40k against budget, due to closure in their busiest period.

Finance and Asset Management

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	2,408,348	2,399,856	8,492	
Premises	547,091	565,764	(18,673)	21
Transport	35,870	25,333	10,537	22
Supplies & Services	563,688	549,556	14,132	23
Payments to Third Parties	399,511	399,062	449	
Drainage Board Levy	6,500	7,172	(672)	
COVID-19 Costs	0	114,723	(114,723)	24
Income	(1,410,435)	(1,135,093)	(275,342)	25
TOTAL	2,550,573	2,926,372	(375,799)	

21) Rates for the public offices is greater than budget due to us paying the rates for the vacant offices.

22) Surplus expected due to less pool car use than budgeted for

23) Savings due to £34k on bank charges and expected £8k on postage. These are reduced by additional audit costs of £12k, possible £6k higher insurance costs (mainly on cyber cover), and £7k of additional treasury brokerage fees for future dated borrowing deal.

24) Leisure centre costs based on latest Places for People report, we are committed to supporting the contractor financially during COVID restrictions.

25) Expected losses of £55k on car parks income due to lockdown restrictions in Q1. Car Park excess charges due to be at least £6k down too. The rent at the Council Offices is also due to be £62k down on budget due to a number of vacant offices. At present we expect no income from the leisure centre so a £160k loss. There are some gains expected on Car Park Permits and cemeteries, with cemeteries nearly reaching their full year target. However, it is expected that income will be considerably lower in the second half of the year.

One Legal

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	2,276,597	1,843,581	433,016	26
Transport	8,700	891	7,809	
Supplies & Services	115,313	105,489	9,824	
Payments to Third Parties	34,220	26,620	7,600	
Central Recharges	29,929	29,929	0	
Income	(2,221,101)	(1,753,672)	(467,429)	27
TOTAL	243,658	252,838	(9,180)	

26) The £433k employee variance relates to various vacant posts across One Legal. Agency staff being utilised where possible to meet the work requirements.

27) Limited resources available to undertake additional work have had an impact on the ability to achieve the income targets and as a result, the actual income for Q2 is below the budget. In addition, year end projection is based on the current performance and some historical data to reflect income fluctuations. Historically, income figures increased significantly towards the end of financial year.

Borough Solicitor

	Full Year Budget	Projected Outturn	Savings / (Deficit)	
	£	£	£	
Employees	125,455	134,174	(8,719)	
Supplies & Services	15	15	0	
Income	(43,651)	(21,834)	(21,817)	
TOTAL	81,819	112,355	(30,536)	28

28) On the 1st of October, the Borough Solicitor stepped down from her role of the Monitoring Officer (MO) for Cheltenham Borough Council (CBC). As a result, CBC will not contribute £21.8k towards the total cost of the MO in quarter 3 and 4