

General Fund Major Service Variances Q1 2025/26

Appendix A(ii)

Group	Service Grouping	Cost Centre	Reason for Variance	Forecast Over/ (under)spend £'000
City Services	Admin Buildings	Cowley Road Compound	Overspend due to Business Rate costs for former Cowley Road Enterprise units, which is a temporary cost that will end with the opening of the new Operational Hub.	162
	Bereavement Services	Cambridge Crematorium	Variance due to increased competition: More providers (including online-only services) are offering direct cremation, increasing consumer choice and price competition. Variance also due to changing preferences: Cultural shifts, environmental concerns, and economic pressures are pushing more people toward simpler, cost-effective options.	376
	Car Parking	Grand Arcade Car Park	Increase in revenue at the start of 25/26 which has been built into the forecast. This is expected to continue and will be monitored. There are overspends on Business Rates, Security costs and turnover allowance which is more than compensated by the increase in expected income.	(469)
		Park Street Car Park	Electricity charges higher than anticipated which is more than compensated by increased income. Only the first year back in operation, so will be able to better predict the budget once we have an idea on usage and operational costs for a full year. However, the first quarter income indicates a forecast income much higher than budgeted.	(144)
		Grafton Centre West Car Park	Business rates lower than budgeted.	(90)
		Grafton Centre East Car Park	Closure of shops and cinema resulting in lower footfall. Office and laboratories not yet open so usage has decreased.	224
		Queen Anne Terrace Car Park	Increase in income at the start of 25/26. This is expected to continue and will be monitored closely. Lower than budgeted electricity costs.	(452)
	Garage Services	Garage- External Work	East Cambridgeshire and South Cambridgeshire District Council income on track. Thalia income lower than expected due to replacement of their fleet with a repairs and maintenance contract. The fleet manager is actively looking for new business and is in discussions with several companies. Private work less than forecast due to the level of maintenance required on an ageing City Council fleet. A vacant fitter post and long term sickness have reduced saleable hours.	140
	Management	City Services Director	The variance is mainly due to the Programme Manager post budget that will be transferred to this cost centre for Q2 plus the effect of additional changes to posts since the Consultation paper that were not included in the Budget Setting Report due to the need to set the budget by February 2025.	91
	Sport & Recreation	Recreation Assets	Current salary budgets are not fully and properly aligned with actual staffing, therefore, indicating an overspend and will have been reviewed and corrected for Q2.	95
	Streets and Open Spaces	Grounds Maintenance & Street Cleaning	Salary budgets are showing an overspend. All restructure changes are being worked through but this is taking time to complete due to the complexity of the updates and the fact that the changes not yet fully known. This will have been completed for Q2. Any differences between the budget and forecast will then be able to be quantified.	237
		Project Delivery	This variance is due to an overspend on staff budgets. See narrative above for Grounds Maintenance and Street Cleaning.	170
		Local Nature Reserves	This variance is due to an overspend on staff budgets. See narrative above for Grounds Maintenance and Street Cleaning.	62
		Open Space Development	Current salary budgets are not fully and properly aligned with actual staffing, therefore, indicating an overspend and will have been reviewed and corrected for Q2.	72
	Waste & Recycling	Greater Cambridge Shared Waste	£280k underspend due to increased surplus in commercial waste income following price increases and the launch of the commercial food waste service. Further work to promote the commercial offer is planned for the autumn.	(280)
Communities	General Fund Housing	Town Hall Lettings	The overspend is partly due to the costs associated with running the service, in particular incentivising landlords to make properties available for rental through the service. This saves costs to the wider service, including reducing our temporary accommodation costs. This cost centre will be reviewed in the next quarter with the aim of reducing the overspend.	82
Corporate Hub	Central Services	Procurement	This overspend is related to additional staffing costs due to the spend on agency staff.	65
	Revenues and Benefits	Local Taxation	The overspend is related to maternity and long-term approved absence, which have been covered by agency resources.	93
Economy and Place	Property Services	Park Street Car Park Development Projection	It was expected that rent on the Hotel at Park Street would be receivable at 1st October 2025. However practical completion was certified on 30th June 2025. Under the legal agreements we have, the lease term commences 10 working days after Practical Completion, i.e. 14th July 2025. The rent commencement date is six months from the term commencement date, and will therefore be 14th January 2026. The rent has been smoothed over the lifetime of the lease, which has fully mitigated the impact of this delay.	(461)
		Lion Yard	The overspend is due to a geared ground rent reconciliation at Lion Yard, following several years of lower-than-expected turnover from the businesses operating there.	400
Planning & Building Control	Greater Cambridge Planning	Greater Cambridge Shared Planning	The forecast underspend is due to increased grants, PPA income, and planning application fees. Some of the underspend related to grant income may need to be carried forward to next year.	(561)
			Other Minor variances	217
			Total	29