

Appendix A – Detailed Revenue Budgetary Control position and explanation of Key Variances and Risks

Chief Executives

	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Chief Executive	243	0	243	243	0	0	0	0	0
Human Resources	1,097	0	1,097	1,357	0	260	24%	260	0
Total Chief Executives	1,340	0	1,340	1,600	0	260	19%	260	0

The only variance currently being reported within Chief Executive Department is to HR where working with partners to deliver back office services in more cost effective ways has not progressed at the rate originally forecast

Governance

	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director of Governance	324	0	324	336	0	12	4%	12	0
Constitutional Services	2,107	0	2,107	2,152	0	45	2%	45	0
Legal Services	1,436	0	1,436	1,742	0	306	21%	306	0
Performance & Information	202	0	202	202	0	0	0%	0	0
Total Governance	4,069	0	4,069	4,432	0	363	9%	363	0

The main adverse variance being reported within Governance relates to the £.0306m in Legal Services where working with partners to deliver back office services in more cost effective ways has not progressed at the rate originally forecast

Election costs are anticipated to be approx. £0.045m higher than budgeted. There is also a risk of approx. £0.100m for future unbudgeted election costs.

Place & Economy

Budget Group	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
	£000	£000	£000	£000	£000	£000	%	£000	£000
Director, Opportunity Peterborough & Joint Venture	128	0	128	131	0	3	2%	74	(71)
Development and Construction	158	0	158	158	0	0	0%	38	(38)
Peterborough Highway Services	4,262	0	4,262	4,528	0	266	6%	410	(144)
Sustainable Growth Strategy	1,395	0	1,395	1,392	0	(3)	0%	0	(3)
Waste, Cleansing and Open Spaces	13,658	0	13,658	13,658	0	0	0%	0	0
Westcombe Engineering	115	0	115	115	0	0	0%	0	0
Energy	480	0	480	480	0	0	0%		0
City Centre Management	274	0	274	358	0	84	31%	100	(16)
Service Director Environment & Economy	149	0	149	189	0	40	27%	0	40
Total Place & Economy	20,619	0	20,619	21,009	0	390	2%	622	(232)

Peterborough Highway Services

Joint working with partners within the Highways service is not currently achievable, as there is no approved plan in place to deliver this. This is generating a pressure of £0.160m. There is also a pressure of £0.309m in relation to the energy pricing for street lighting where price increases have been significantly higher than estimates. These are partially offset by savings in Highways Development due to additional income and savings on professional services and contractors, where the Budget manager has assessed the workload and provided a forecast that they feel is realistic taking into consideration departmental performance in the last two years. This involves the use of temporary staff to catch up and also deal with the current workload from developers. Having good technically qualified temporary staff allows the Budget Manager to cut back on the use of Professional Services and Contractors to pay for the staff and helps generate more income. The income forecast is in accordance with the last two years and considered to be a reasonable target given the number of sites progressing.

City Centre Management

There is a £0.100m pressure relating to the stall rental income target for the Market stall rent income, with minor savings to offset part of this.

People & Communities

	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Moveme nt
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Adults	46,555	0	46,555	46,475	0	(80)	0%	0	(80)
Commissioning and Commercial Operations	17,544	0	17,544	17,547	0	3	0%	0	3
Children's & Safeguarding	10,616	0	10,616	10,615	0	(1)	0%	0	(1)
Director	528	0	528	528	0	0	0%	0	0
Education	5,638	0	5,638	6,078	0	440	8%	372	68
Communities	5,898	0	5,898	7,297	0	1,399	24%	300	1,099
DSG	262	0	262	262	0	0	0%	0	0
Total People & Communities	87,041	0	87,041	88,802	0	1,761	2%	672	1,089

Further Breakdown in to the key service areas:

	Budget 2019/20	Cont. from reserves	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserves	Variance 2019/20	Variance 2019/20	Previous Month Variance	Movement
	£000	£000	£000	£000	£000	£000	%	£000	£000
Adults:									
ISP	35,067		35,067	35,067		0	0%		0
ASC Teams	8,195		8,195	8,110		(85)	-1%		(85)
Block Contracts	6,352		6,352	6,360		8	0%		8
Financing	(4,512)		(4,512)	(4,512)		0	0%		0
Home Service Delivery Model	1,453		1,453	1,450		(3)	0%		(3)
Total Adults	46,555	0	46,555	46,475	0	(80)	0%	0	(80)
Commissioning & Commercial Operations:									
Permanency Service	15,723		15,723	15,723		0	0%		0
Clare Lodge	(1,081)		(1,081)	(1,079)		2	0%		2
Commissioning & Commercial Operations - Other	2,902		2,902	2,903		1	0%		1
Total Commissioning & Commercial Operations	17,544	0	17,544	17,547	0	3	0%	0	3
Childrens & Safeguarding:									
Children's Social Care	6,801		6,801	6,801		0	0%		0
Childrens - Other	3,815		3,815	3,814		(1)	0%		(1)
Total Childrens & Safeguarding	10,616	0	10,616	10,615	0	(1)	0%	0	(1)
Director:									
Director	1,531		1,531	1,531		0	0%		0
Department Savings target	(1,003)		(1,003)	(1,003)		0	0%		0
Total Director	528	0	528	528	0	0	0%	0	0

	Budget 2019/20	Cont. from reserves	Revised Budget 2019/209	Forecast Spend 2019/20	Cont. to reserves	Variance 2019/20	Variance 2019/20	Previous Month Variance	Movement
	£000	£000	£000	£000	£000	£000	%	£000	£000
Education:									
HTS & CSC Transport	4,007		4,007	4,379		372	9%	372	0
School Improvement Traded Service	(937)		(937)	(937)		0	0%		0
Education - Other	2,568		2,568	2,636		68	3%		68
Total Education	5,638	0	5,638	6,078	0	440	8%	372	68
Communities:									
Housing	928		928	1,805		877	95%		877
Cultural Services	2,487		2,487	2,747		260	10%		260
Targeted Youth Support Service (TYSS)	1,760		1,760	1,761		1	0%		1
Prevention Enforcement Service (PES)	(2,020)		(2,020)	(1,720)		300	-15%	300	0
Regulatory Services	856		856	842		(14)	-2%		(14)
Communities - Other	1,887		1,887	1,862		(25)	-1%		(25)
Total Communities	5,898	0	5,898	7,297	0	1,399	24%	300	1,099
DSG	262		262	262		0	0%	0	0
Total People and Communities	87,041	0	87,041	88,802	0	1,761	2%	672	1,089

Education- Home to School and Children's Social Care Transport

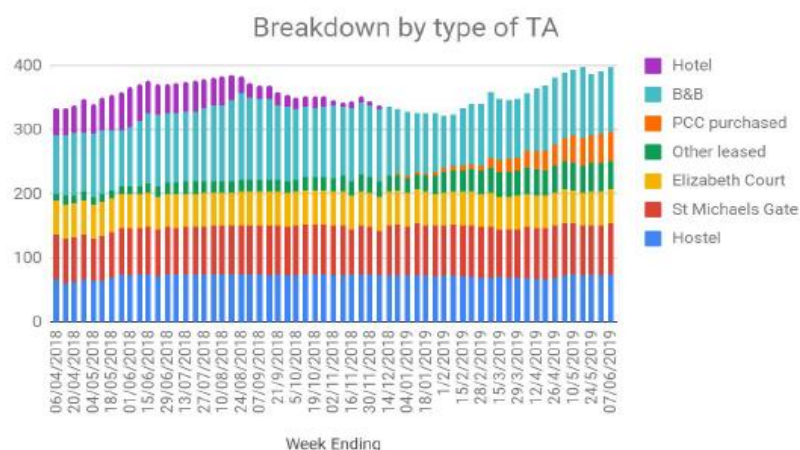
A pressure of £0.372m is reported in relation to Home to School Transport. This is based on the outturn position for the last financial year and does not take account of the contract changes for Academic Year 2019-20.

Communities- Housing

There is an overall pressure of £0.877m relating to Housing budgets, this is made up of £0.945m forecast overspend on temporary accommodation. The Council has faced significant demand from homelessness and the need for housing in Peterborough, the latest figures show that it is at the highest level in over a year with 397 households in temporary accommodation. This is despite 172 households being prevented from needing temporary accommodation so far this year through the interventions of the Housing Needs service. The Housing Needs service continue to support families to prevent them being in a position where they require housing in addition to reducing the number of families in temporary accommodation.

Plans are in place to ensure there is a supply of housing to meet this need, to avoid putting families in B&B, Travelodges or out of the area. The Housing Board regularly review the position and required actions to mitigate, and the manager of this service holds regular meetings with senior management and the leader of the council for updates and review.

Graph 1 below outlines the trend of the number of households in temporary accommodation and the type of accommodation which has been used.

Graph 1: Temporary Accommodation trend analysis

There are further minor overspends within the Housing Service which are offset by employee savings of £0.112m.

Communities- Cultural Services

A savings target of £0.250m against the contract with Vivacity will not be achieved.

Communities- Prevention Enforcement Service (PES)

There is an adverse forecast of £0.300m due to the projected underachievement of parking income. This is now under a new area of management, and the cost and income within this service including mitigation measures set out in the draft parking strategy are under review.

Public Health

Budget Group	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
	£000	£000	£000	£000	£000	£000	%	£000	£000
Children 0-5 Health Visitors	3,663	364	4,027	4,027	0	0	0%	0	0
Children 5-19 Health Programmes	944	0	944	944	0	0	0%	0	0
Sexual Health	1,938	0	1,938	1,938	0	0	0%	0	0
Substance Misuse	2,269	0	2,269	2,269	0	0	0%	0	0
Smoking and Tobacco	318	0	318	318	0	0	0%	0	0
Miscellaneous Public Health Services	1,552	0	1,552	1,552	0	0	0%	0	0
Public Health Grant	(10,621)	0	(10,621)	(10,621)	0	0	0%	0	0
Total Public Health	63	364	427	427	0	0	0%	0	0

Work on a new Section 75 agreement for children's public health services with Cambridgeshire and Peterborough NHS Foundation Trust has identified some additional unfunded costs for the service, which

are currently being addressed non-recurrently through the ring-fenced public health reserve, under an extension to the existing Section 75 agreement. Work is ongoing to clarify the current position in relation to historical funding transfers and to finalise negotiations on the new Section 75, which will be joint with Cambridgeshire County Council.

Resources

	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Moveme nt
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director's Office	273	0	273	273	0	0	0%	0	0
Financial Services	2,563	0	2,563	2,821	377	635	25%	634	1
Capital Financing and Capital Receipts	17,564	0	17,564	16,697	0	(867)	-5%	0	(867)
Corporate Items	8,211	0	8,211	7,821	0	(390)	-5%	(388)	(2)
Peterborough Serco Strategic Partnership	4,231	0	4,231	7,423	0	3,192	75%	3,191	1
Cemeteries, Cremation & Registrars	(1,393)	0	(1,393)	(1,441)	0	(48)	3%	0	(48)
Corporate Property	2,033	0	2,033	1,823	0	(210)	-10%	(200)	(10)
Total Resources	33,482	0	33,482	35,417	377	2,312	7%	3,237	(925)

The main variances being reported within Resources are in relation to the back office savings targets included in the budget, where there is currently no approved plan in place to achieve these savings. These variances are £0.634m within Financial Services, £1.850m within Peterborough Serco Strategic Partnership (PSSP). Work is underway, as per the Tranche Two Medium Term Financial Strategy report to deliver a £1m savings in business support, but there are associated timing and redundancy risks which require further consideration and agreement, before the saving can be realised. Therefore at the moment the full amount is shown as a pressure, until plans are actively in place, at which time this pressure will reduce once the programmes are put in place.

Within the PSSP service there is an additional further forecast overspend of £1.000m and £0.100m in relation to savings targets from prior year Medium Term Financial Strategy, namely the Variable costs reduction saving and Business Support saving.

Capital Financing and Capital Receipts

The forecast underspend for Capital Financing is forecast at £0.867m and is a result of a combination of factors:

- Less borrowing was undertaken for the capital programme in 2018/19 than budgeted for in the MTFs resulting in less budget being required to fund existing borrowing.
- forecast interest rates for new borrowing are lower than those forecast at the time the MTFs was set, and the impact of these lower rates have been factored in to the forecast underspend. The prevailing uncertainty in the worlds economy, alongside the uncertainty of the impact of Brexit has led the Councils treasury advisors to note that since previous forecasts there has been *"a sharp deterioration of economic growth news, and expectations for growth, in the major economies of the*

world – the US, EU and China. This has led to a sharp downturn in government bond yields, lower than we previously anticipated."

- The capital programme is under review for 2019/20 to ensure that all schemes are delivered in year, the impact of this review is yet to be fully reflected in the forecast outturn. Additional information can be found in Appendix D of this report.

The level of interest receipts forecast to be generated from loans the council has issued has been reduced from those contained in the MTF5 as a result of the early repayment of loans from a housing association received at the end of 2018/19 and the delay in the draw down of the loan granted to the hotel build in Fletton Quays.

Corporate Items

There is a saving of £0.388m against the VAT shelter due to Cross Keys capital expenditure profile varying from previously advised.

Peterborough Serco Strategic Partnership (PSSP)

Within PSSP there is a risk that ADP (Annual Delivery Plan costs) which is currently costing the Council £0.066m per month will create an adverse variance against the budget unless costs are switched off or charged to a budgeted project. Within the forecast variance two months of cost at £0.132m has been assumed, which relates to April and May 19, this is pending a Notice of Change (NoC) to the contract which will change the allocation of these costs so that they are retrospectively fully allocated to projects being delivered.

The Housing Benefit and Council Tax admin subsidy due to be received this year is expected to be £0.109m lower than budgeted and this is being reported adverse within PSSP.

Corporate Property

There is a forecast favourable position of £0.210m reported within the Corporate Property Budget in relation to the following:

- A saving due to the rateable value for Sand Martin House being lower than budgeted and due to the recently announced lease with the Construction Industry Training Board £0.171m
- Additional income due to the delay in the sale of the football ground to Peterborough United £0.190m
- Offset by a pressure due to the Town Hall North letting to commence during summer of 2020 rather than the assumption of January 2020 £0.110m
- Other minor variances £0.041m

Customer and Digital Services

	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Moveme nt
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director Customer & Digital Services	0	0	0	0	0	0	0	0	0
ICT	6,560	0	6,560	6,810	0	250	4%	250	0
Marketing & Communications	272	0	272	364	0	92	34%	100	(8)
Resilience and Health & Safety	233	0	233	262	0	29	12%	0	29
Total Customer and Digital Services	7,065	0	7,065	7,436	0	371	5%	350	21

ICT

Within the ICT budget there is a pressure of £0.150m relating to back office savings targets, where there is currently no plan in place to achieve these saving however the service has plans to achieve £0.450m of the £0.600m target held within the department.

ICT is reporting a further £0.100m adverse variance relating to staffing costs within the service, due to three additional posts over establishment being created.

Business Improvement

	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Moveme nt
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director Business Improvement	0	0	0	0	0	0	0	0	0
Programme Management Office	173	0	173	173	0	0	0%	0	0
Total Business Improvement	173	0	173	173	0	0	0%	0	0

No Variances reported.

Financing

	Budget 2019/20	Cont. from reserve	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movem ent
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Council Tax	(71,925)	0	(71,925)	(71,925)		0	0%	0	0
Council Tax - Adult Social Care precept	(5,450)	0	(5,450)	(5,450)		0	0%	0	0
NDR Income	(45,727)	0	(45,727)	(45,727)		0	0%	0	0
NDR Levy	306	0	306	306		0	0%	0	0
NDR S31 grants	(5,442)	1,030	(4,412)	(4,412)		0	0%	0	0
NDR Tariff	2,424	0	2,424	2,424		0	0%	0	0
Revenue Support Grant	(10,246)	0	(10,246)	(10,246)		0	0%	0	0
Parish Precept	(672)	0	(672)	(672)		0	0%	0	0
New Homes Bonus	(4,713)	0	(4,713)	(4,713)		0	0%	0	0
Section 31 Grant	(8,616)	0	(8,616)	(8,616)		0	0%	0	0
Contribution from/to Grant Equalisation Reserve	(3,084)	0	(3,084)	(3,084)		0	0%	0	0
Contribution from/to Reserves	0	(1,394)	(1,394)	(1,394)		0	0%	0	0
Collection Fund - Council Tax	(201)	0	(201)	(201)		0	0%	0	0
Collection Fund - NDR	(506)	0	(506)	(506)		0	0%	0	0
Total Financing	(153,852)	(364)	(154,216)	(154,216)	0	0	0%	0	0

A cash flow risk in respect of Business Rates has been identified, which will mean the 2019/20 income from Section 31 grants will be £1.030m lower than budget. This income will be received in 2020/21 instead, therefore this represents a cash flow timing. It has been agreed that the general fund reserve is used in 2019/20 and fully replenished in 2020/21 to mitigate the impact of this timing change. This is within the financial regulations (the Councils Constitution).

This page is intentionally left blank