

Appendix 1 – Detailed Revenue Budgetary Control position and explanation of Key Variances

Key Movements

	£000
September position	1,315
Capital Financing savings	(2,282)
Public Health savings	(165)
Energy From Waste Plant - additional income	(100)
Street Cleansing - Pro rata saving from delayed start in additional Cleansing	(50)
Clare Lodge	274
Minor variances	(117)
Contribution to Capacity reserve (bottom line underspend)	1,125
November position	0

Chief Executive's

Budget Group	Budget 2017/18 £000	Cont. from reserves £000	Revised Budget 2017/18 £000	Forecast Spend 2017/18 £000	Cont. to reserves 2017/18 £000	Forecast Variance 2017/18 £000	Forecast Variance 2017/18 %	Previous Variance £000	Mvmt £000
Chief Executive	240	0	240	201		(39)	-16%	(39)	0
HR	1,393	217	1,610	1,574		(36)	-2%	(1)	(35)
Total Chief Executives	1,633	217	1,850	1,775	0	(75)	-4%	(40)	(35)

Chief Executives is overall reporting a favourable variance of £0.075m against its budget.

Chief Executive

- An underspend of £0.039m is expected on the £0.240m budget for the Chief Executive due to one-off savings in supplies and services budgets.

HR

- There is a £0.046m saving on the salary budget of £1.220m due to vacant posts - the budgets will be corrected in 18/19.
- Other miscellaneous small overspends across the department are £0.010m.

Governance

	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Previous Variance	Mvmt
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director of Governance	395	0	395	374	0	(21)	-5%	(1)	(20)
Legal & Democratic	3,518	115	3,633	3,648	0	15	0%	(54)	69
Performance & Information	584	0	584	632	0	48	8%	68	(20)
Total Governance	4,497	115	4,612	4,654	0	42	1%	13	29

Governance is overall reporting an adverse variance of £0.042m against its budget.

Legal & Democratic

- An overspend of £0.290m is expected on the £1.740m Legal salaries budget due to a combination of the use of locums being used to cover vacancies, payment of market supplement to retain current staff and also an overspend in children's safeguarding legal costs. There has been agreement to fund an additional Lawyer and a Business Support Officer to cope with the increased workload.
- An underspend of £0.030m is expected on the salary budgets of £0.430m in the Governance Support and Elections Service.
- Additional income is expected of £0.100m on the £0.220m income budget for Land Charges.
- An underspend of £0.020m is expected on the elections budget of £0.250m due to the low number of elections this year. The budget will be required in full in 18/19.
- An underspend of £0.090m is forecast in relation to the Members' Allowances and Other Costs budget of £1.120m.
- Other miscellaneous small savings across the Department are £0.110m.

Performance & Information

- An overspend of £0.070m is expected on the £0.480m Coroner's budget due to an increase in demand. This ongoing pressure is being incorporated within the budget requirement for future years.
- An underspend of £0.020m is forecast on the £0.180m FOI Team staff cost budget.
- Other miscellaneous small overspends across the Department are £0.002m

Growth & Regeneration

Budget Group	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Previous Variance	Mvmt
	£000	£000	£000	£000	£000	£000	%	£000	£000
Development and Construction	291	0	291	354	0	63	22%	45	18
Director, OP & JV	528	185	713	(14)	150	(577)	-81%	(588)	11
Peterborough Highway Services	9,673	0	9,673	9,810	0	137	1%	101	36
Sustainable Growth Strategy	1,800	35	1,835	1,591	105	(139)	-8%	(56)	(83)
Corporate Property	639	0	639	463	0	(176)	-28%	(163)	(13)
Amey Peterborough & Waste Management	11,864	0	11,864	11,614	0	(250)	-2%	(100)	(150)
Westcombe Engineering	92	0	92	92	0	0	0%	0	0
Total Growth and Regeneration	24,887	220	25,107	23,910	255	(942)	-4%	(761)	(181)

Growth & Regeneration is overall reporting a favourable variance of £0.942m against its budget.

Development and Construction

- There is a forecast £0.050m variance on the £1.260m income budget within Development and Construction due to reduced external recharge income. Other miscellaneous small pressures across the Department are £0.013m

Director, Opportunity Peterborough & Joint Venture

- A saving of £0.438m has been delivered in respect of the Highways roadmap efficiency programme, covering £3.980m of maintenance and related budget. This includes removing budget from the Highways contract where the same level of service is delivered at a lower cost, to "bank" the saving, (such as programme co-ordination efficiencies to avoid separate traffic management costs). It also includes receiving rebates based on a percentage of additional works put through the contract e.g. works for third parties. The ongoing elements of these savings will be factored into 18/19 budgets.
- A saving of £0.139m has been achieved against a total budget for the directorate of £24.887m, through extracting budgets from across the directorate following outturn review for car allowances, administration expenses, telephones, salaries, professional services, and computer software.

Peterborough Highway Services

- An overspend of £0.310m is expected against a budget of £0.870m due to a substantial inflationary increase in street lighting energy costs and a delayed start to the LED project. A budget adjustment is proposed for 18/19.
- Highways Development is favourable by £0.099m on a £0.479m budget due to additional income. This is partly offset by other staff costs and Community Link Bus Service costs.

- The department is also delivering a further £0.100m of savings on a £9.673m budget. This is being delivered via savings within the transport planning, street lighting maintenance and the drainage services. These will be kept under review for 18/19. Other miscellaneous pressures across the Department are £0.026m.

Corporate Property

- Additional rental income of £0.120m on a £4.140m budget arises from investment property purchased in Fengate in March 2017. This will be built into the budget for 18/19.
- A saving of £0.060m is reported on Utility costs against a budget of £0.500m. Expected increases in costs are likely to mean this saving will not continue for 18/19. Other miscellaneous pressures across the Department are £0.004m.

Amey Peterborough & Waste Management

- An underspend of £0.180m arises on an £8.600m budget for the Amey contract, in respect of a lower pension contribution rate compared with that assumed in the contract. The impact of this in future years will be considered along with a number of other potential contract costs.
- However proposed savings from Bin Sponsorship income £0.040m, and charging developers for bins £0.040m have not been achieved. This will be an ongoing pressure.
- Energy from Waste £0.100m is reporting additional income on a surplus budget of (£2.580m). The one-off additional income due to increased volume and price change
- Street Cleansing £0.050m saving on budget of £2.210m - pro rata saving from delayed start in additional cleansing

People & Communities

Budget Group	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Previous Variance	Mvmt
	£000	£000	£000	£000	£000	£000	%	£000	£000
Adults	45,623	0	45,623	45,801		178	0%	237	(59)
Commissioning and Commercial Operations	14,243	0	14,243	15,148		905	6%	414	491
Children's & Safeguarding	10,588	66	10,654	10,800		146	1%	397	(251)
Director	774	0	774	(95)		(869)	-112%	(762)	(107)
Education	5,779	0	5,779	6,405		626	11%	582	44
Communities	4,828	107	4,935	7,128		2,193	44%	2,108	85
Total People and Communities	81,835	173	82,008	85,187	0	3,179	4%	2,976	203

People & Communities are overall reporting an adverse variance of £3.179m against its budget. The key variances in each of the service areas are as follows:

Adults

- The Therapy, Reablement, Community Equipment service area is forecast to overspend by £0.167m against a total budget of £2.900m. Staffing is forecast to overspend by £0.268m (the 0-25 Team accounts for £0.205m of this figure). Non-pay is forecast to underspend by £0.101m.
- The Home Services Delivery Model is forecast to underspend by £0.112m against a total budget of £1.400m. This saving is part of the non-digital element of the Digital Front Door savings.
- The Finance Service area is forecast to overspend by £0.219m against a total budget of £1.300m. This is due to a £0.219m commitment arising from the Care Act 2014. This issue will be addressed in the 2018-19 budget.
- Other miscellaneous Adults savings total £0.096m.

Commissioning and Commercial Operations

- The Clare Lodge secure unit is forecast to overspend by £620k against a budget of (£1.3m). £250k of this relates to the non-achievement of the additional MTFs Income target as a result of the delay in Construction work. A £100k pressure is as a result of non-achievement of pay terms and conditions savings. A pressure of £270k is forecast based on reduced occupancy and therefore Income. Note that this £270k pressure has been fully mitigated by other Commissioning savings. Clare Lodge in conjunction with the responsible Local Authority Officer are working to increase occupancy.
- The Commissioning service area is forecast to underspend by £0.140m against a budget of £1.100m. A pressure of £0.047m relating to Play Centre property costs has arisen as a result of the delayed Community Asset transfers. An underspend of £0.187m against Children's Commissioning budgets has been identified to mitigate the reported pressure against Clare Lodge.

- The Permanency Service (TACT) is forecast to overspend by £400k against a budget of £13m. The additional cost is as a result of LAC numbers being higher at the beginning of the contract than was anticipated, work is ongoing with TACT on plans to reduce this number however this is taking longer than anticipated and as such giving rise to a pressure in year. Work is still underway to address this with results more likely to give rise to savings in 18/19. Further work is being done around placement mix and the impact on the savings built into the contract for 17/18 due to the later than planned mobilisation of the contract and therefore the changes that TACT are making were later into the contract than was originally anticipated - we are expecting further pressures to arise from this piece of work being done in January. Discussions held with TACT are that at this time it is expected that this will be resolved for 18/19 and that they will be able to deliver the level of savings that the contract require. But this will depend upon working together to get the LAC numbers back to the level that the contract was built on.
- Other Commissioning and Commercial Operations pressures total £0.025m.

Children's & Safeguarding

- The Child Health service area is forecast to overspend by £0.097m against a budget of £1.400m, this is due to a £0.104m pressure on staffing costs (specifically overtime and lack of enhancement budgets).
- The Children's Social Care service area is forecast to overspend by £0.078m against a budget of £6.700m. This is due to a £0.165m pressure on car and travel allowances; a £0.146m saving on staffing costs; a £0.020m pressure on room hire costs; and a £0.039m pressure on other costs including ICT maintenance, mobile phone costs and financial assistance etc.
- Other Children's & Safeguarding budgets are forecast to underspend by £0.029m against a total budget of £2.600m

Director

- The £0.500m savings target in relation to 'New ways of working' has not been achieved and has therefore been reported as a pressure. This pressure has been partially offset by a £0.409m saving in relation the prior year element of the Norfolk Ordinary Residence case which has recently been agreed and paid.
- The MTFs saving re 'SERCO Insight and Analytics' has been reported as a £0.163m pressure. £0.563m of the departmental contingency has been released to off-set the Permanency Service (TACT) and 'SERCO Insight and Analytics' pressures. A departmental contingency was set up to help cover some in year pressures including the TACT contract which is the first of its type in the country. It was deemed appropriate to hold a contingency in light of this especially late mobilisation of the contract, an uncommitted balance of £0.127m remains.
- A pressure in relation to non-achievement of Business Support savings of £0.015m has been reported. Shared Management arrangements with Cambridgeshire have generated an underspend of £0.094m. Staff vacancies in the People and Communities Finance Team have resulted in an underspend of £0.043m.
- An additional underspend of £0.438m to mitigate Department overspends has been achieved by delaying or holding projects. A Community Investment project has been postponed. The project for Assistive Technology parent carers has been incorporated within the current Assistive Technology project. Admission avoidance has been incorporated in the Delayed Transfer of Care (DTC) work stream.

- The front door programme was a two year programme starting in 16/17 with further savings to be made in 17/18. The programme was made up of two overarching programmes - digital solutions (DFD) and (NDFD) practice initiatives and changes. The DFD element was cross cutting across the council (although the savings were allocated against People and Communities). The digital savings have not been delivered yet and are currently under a corporate review. The non-digital elements have been delivered with reductions in high cost placements, home services model delivery (including care and repair, reablement and increased use of Assistive Technology). The non-digital elements have been able to cover the savings related to the DFD and have therefore achieved the front door programme savings target for both years.

Education

- The Home to School and Children's Social Care Transport service area is forecast to overspend by £0.413m against the budget of £3.700m. The Home to School Transport budget is forecast to overspend by £0.269m. This forecast includes demographic pressure and the savings arising from the recent exercise to rationalise and re-tender routes. Children's Social Care transport is forecast to overspend by £0.107m. In part this is due to the loss of volunteer drivers and the necessity to therefore procure more taxi transport. The transport team are actively trying to recruit additional volunteer drivers. Other pressures total £0.037m.
- The Pupil Referral Service is forecast to overspend by £0.237m against a (surplus) budget of (£0.237m), this is as a result of the implementation of a new funding model. This pressure will be addressed in the 18-19 budget process
- Other Education savings total £0.024m.

Communities

- The Housing Service area is forecast to overspend by £1.691m against the total budget of £0.854m. Of the overspend £1.662m relates to Homelessness and temporary accommodation costs. This is being closely monitored by Management. Other Housing Service pressures total £0.029m.
- The Housing Enforcement Service area is forecast to overspend by £0.418m against the total net income budget of £0.083m. Selective Licensing is forecast to overspend by £0.293m which is primarily as a result of the very high take up of an early bird discount scheme. Work is being undertaken to identify additional homes that should be licensed. The additional income should close the gap in financial years 2018/19 onwards. An overspend of £0.143m has due to under achievement of income from EPC certificates. The income loss will be addressed in the 2018/19 budget setting process. Other Enforcement underspends total £0.020m.
- Other Communities pressures total £0.084m.

Public Health

Budget Group	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Previous Variance	Mvmt
	£000	£000	£000	£000	£000	£000	%	£000	£000
Children 0-5 Health Visitors	2,967	0	2,967	2,967		0	0%	0	0
Children 5-19 Health Programmes	1,999	0	1,999	1,999		0	0%	0	0
Sexual Health	1,817	0	1,817	1,817		0	0%	0	0
Substance Misuse	2,370	0	2,370	2,348		(22)	-1%	0	(22)
Smoking and Tobacco	374	0	374	321		(53)	-14%	(54)	1
Miscellaneous Public Health Services	1,875	0	1,875	1,783		(92)	-5%	53	(145)
Public Health Grant	(11,196)	0	(11,196)	(11,196)		0	0%	0	0
Total Public Health	206	0	206	39	0	(167)	-81%	(1)	(166)

Public Health is reporting a favourable variance of £0.167m against its budget. The Key variances in each of the service areas are as follows:

- Substance misuse is forecast to underspend by £0.022m against the budget of £2.370m. This underspend is as a result of an accrual for DETOX treatment which is no longer required.
- Smoking and Tobacco is forecast to underspend by £0.053m against the budget of £0.374m. This underspend is against Smoking cessation services.
- Miscellaneous Public Health Services is forecast to underspend by £0.092m against the budget of £1.875m. This underspend is as a result of an accrual for Redundancy which is no longer required (£0.060m) and the balance relates to two Public Health projects which will no longer be funded from 2017/18 revenue budgets. These are South Asian health checks for people aged under 40, which will no longer be implemented following changes to the relevant evidence base, and Healthier Eating in fast food outlets, which is still under discussion with the Environmental Health Team, and for which any costs will be funded from public health reserves.

Resources

Budget Group	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont.to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Previous Variance	Mvmt
	£000	£000	£000	£000	£000	£000	%	£000	£000
Director's Office	258	0	258	313	0	55	21%	62	(7)
Financial Services	3,605	458	4,063	3,997	0	(66)	-2%	(54)	(12)
Capital Financing	12,441	1,322	13,763	11,481	0	(2,282)	-17%	0	(2,282)
Corporate Items	5,726	90	5,816	4,039	0	(1,777)	-31%	(1,777)	0
Peterborough Serco Strategic Partnership	7,224	0	7,224	6,674	0	(550)	-8%	(550)	0
ICT	5,995	110	6,105	6,476	0	371	6%	371	0
Commercial Group	336	0	336	339	0	3	1%	3	0
Energy	392	0	392	1,163	0	771	197%	755	16
Vivacity/Cultural Services	2,473	0	2,473	2,497	0	24	1%	0	24
Cemeteries, Cremation & Registrars	(1,348)	38	(1,310)	(1,346)	0	(36)	3%	(13)	(23)
City Services & Communications	(865)	40	(825)	(500)	0	325	-39%	331	(6)
Total Resources	36,237	2,058	38,295	35,133	0	(3,162)	-8%	(872)	(2,290)

Resources is overall reporting a £3.162m favourable variance against its budget.

Directors Office

- An overspend of £0.055m is forecast for the Director's budget of £0.258m relating to staffing costs

Financial Services

- An additional income of £0.066m is forecast within Financial services, in respect of the £1.030m Insurance budget, arising from external recharges

Capital Financing

- A favourable position of £2.282m is being reported within this area. The variance includes:
 - A saving of £1.000m on Minimum Revenue Provision due to slippage in the capital programme.
 - The planned MTFs borrowing requirement was £101.276m. £33.000m has been borrowed to date and full year borrowing is now expected to be £66.700m. The reduced borrowing and better than expected interest rates achieved have led to a favourable variance of £1.200m.
- The capital financing budget is net of £12.7m capital receipts income. Non-delivery of the income is a key financial risk and is being carefully monitored. The income consists of a £1.3m brought forward balance; £3m of smaller disposals; and £8m of strategic disposals none of which have so far been completed.

Corporate Items

- There is a favourable variance of £1.777m within this area due to a recent review of corporate budgets, including re-profiling the expected income from Cross Keys VAT shelter (£0.430m variance on £0.380m budget) and the retention of £0.377m general and £0.100m specific inflation not allocated to services. There was a budget allocated for the introduction of the auto enrolment of the pension scheme which was to be introduced this year, but it is expected that this budget will no longer be required (£0.350m) and a further £0.350m saved on a budget of £2.230m in respect of lump sum pension fund contributions. Pension costs for premature retirement are forecast to be £0.100m lower than the £1.260m budgeted). External Audit fees are £0.020m lower than the £0.120m budgeted. Around £0.050m has been saved in respect of the Apprenticeship Levy. The 18/19 impact of all of these savings will be factored into budget proposals.

Peterborough Serco Strategic Partnership

- There is an additional £0.25m of Court Cost income against a budget of £0.600m based on early performance. This is expected to continue and has been factored into future budgets.
- There is a £300k favourable variance on the HB Subsidy Budget. The full cost of unsubsidised temporary accommodation is now charged to the People and Communities budget. It is proposed to amend the budget accordingly in future years.

ICT

- An overspend of £0.270m is expected on the £0.410m budget for the revenue impact of the IT Strategy of moving costs into the Cloud, as the cost was not fully identified at the time that the budget was set.
- There is also a pressure of £0.300m from the delay in delivering Salesforce Line Of Business applications & Box having not yet been decommissioned.
- The SLA's with our partner organisations including NPS and Opportunity Peterborough are generating a surplus of £0.050m on a budget of £0.100m.
- Other miscellaneous savings across the Department are £0.049m.

Energy

- One-off unbudgeted cost of £0.710m in relation to writing off abortive capital project costs.
- There is currently a £0.060m shortfall in the Energy Projects saving target of £0.320m expected this year. This is under review to assess the impact on the 18/19 budget.

City Services & Communications

- The off street parking income budget of £2.400m is £0.200m adverse, but this is being offset by staff parking income which is £0.030m higher than the budget of £0.310m
- An adverse variance of £0.190m is expected within the Market, events and Tourism service area. This is due to £0.155m lower income than the budgeted £0.465m at the Market, and £0.040m variance on £0.130m budget at the Destination Centre and a £0.020m surplus generated by the PGER. Additional miscellaneous pressures total £0.015m
- An overspend of £0.040m on £0.460m budget is reported in respect of increased costs in Food safety following pressures in the numbers of premises in need of inspection. The 18/19 budget will include proposals to address increased demand.

- Health and Safety recharges are expected to be £0.050m lower than the £0.090m budgeted. A proposal to amend the baseline budget will be included for 18/19.
- The Design and Print Team is expected to break even, through recharging all costs based on jobs completed, costing around £0.250m. It is expected that £0.030m of this sum will not be recovered.
- Following a review of spending across the City Services & Communications service area, in year savings of £0.280m have been identified for 17/18, over a gross expenditure budget of £5.740m.

This page is intentionally left blank