

## Detailed Revenue Budgetary Control position and explanation of Key Variances and Risks

### Chief Executives

	Budget 2018/19	Cont. from reserve	Revised Budget 2018/19	Forecast Spend 2018/19	Cont. to reserve	Forecast Variance 2018/19	Forecast Variance 2018/19
Budget Group	£000	£000	£000	£000	£000	£000	%
Chief Executive	244	0	244	244	0	0	0
HR	1,353	0	1,353	1,353	0	0	0
<b>Total Chief Executives</b>	<b>1,597</b>	<b>0</b>	<b>1,597</b>	<b>1,597</b>	<b>0</b>	<b>0</b>	<b>0</b>

There are currently no variances forecast in the Chief Executive's area.

### Governance

	Budget 2018/19	Cont. from reserve	Revised Budget 2018/19	Forecast Spend 2018/19	Cont. to reserve	Forecast Variance 2018/19	Forecast Variance 2018/19
Budget Group	£000	£000	£000	£000	£000	£000	%
Director of Governance	377	0	377	377	0	0	0
Legal Services	1,616	0	1,616	1,616	0	0	0
Constitutional Services	2,053	0	2,053	2,069	0	16	0.8
Performance & Information	656	0	656	656	0	0	0
<b>Total Governance</b>	<b>4,702</b>	<b>0</b>	<b>4,702</b>	<b>4,718</b>	<b>0</b>	<b>16</b>	<b>0.8</b>

The Governance department currently has no significant variances.

### Growth & Regeneration

	Budget 2018/19	Cont. from reserve	Revised Budget 2018/19	Forecast Spend 2018/19	Cont. to reserve	Forecast Variance 2018/19	Forecast Variance 2018/19
Budget Group	£000	£000	£000	£000	£000	£000	%
Development and Construction	190	0	190	190	0	0	0
Director, OP & JV	12	0	12	40	0	28	233.3
Peterborough Highway Services	9,124	0	9,124	9,159	0	35	0.4
Sustainable Growth Strategy	1,469	0	1,469	1,469	0	0	0
Corporate Property	1,506	0	1,506	1,506	0	0	0
Service Director Environment & Economy	154	0	154	154	0	0	0
Regulatory Services	676	0	676	676	0	0	0
Parking Services	(2,405)	0	(2,405)	(2,405)	0	0	0
Marketing & Communications	254	0	254	254	0	0	0
City Centre Management	318	0	318	318	0	0	0
Resilience & Health & Safety	250	0	250	250	0	0	0
Waste, Cleansing and Open Spaces	12,269	0	12,269	12,112	0	(157)	(1.3)

Westcombe Engineering	93	0	93	93	0	0	0
<b>Total Growth and Regeneration</b>	23,910	0	23,910	23,816	0	(94)	(0.12)

Currently the Growth and Regeneration department is forecasting £0.094m underspend.

Income from electricity sales at the Energy from Waste facility is currently higher than budgeted leading to a favourable forecast of £0.157m. This is due to the performance of the plant and the escalating energy prices which offsets the pressure that the council is seeing on the electricity that it buys.

It is anticipated that there could be financial pressures arising from the termination of the Amey contract, across Waste, Cleansing and Open Spaces, and Property services. However this will not be fully evaluated until proposals for the replacement arrangements are further developed. There are also likely to be additional costs pressures in recycling across the RECAP partnership due to changes in the market for recycled material, which is reflected in a reduction in the sale value and may lead to increased processing costs

There is a risk that the level of income from Market stalls will be lower than budgeted as, although this brings a net income to the council, the target for this is set high. A promotional discount to bring in new stall-holders has resulted in 5 new traders, and the income position will be monitored throughout the year.

The budget includes income targets for letting space at Sand Martin House, and for the proposed car parking facilities there. As the council is not yet in possession of the leasehold for these facilities, arrangements for securing this income are not yet confirmed. The council is progressing well with its plans for the letting of its existing office accommodation space.

## People & Communities

	Budget 2018/19	Cont. from reserve	Revised Budget 2018/19	Forecast Spend 2018/19	Cont. to reserve	Forecast Variance 2018/19	Forecast Variance 2018/19
Budget Group	£000	£000	£000	£000	£000	£000	%
Adults	44,724		44,724	44,724		0	0
Commissioning and Commercial Operations	13,787		13,787	13,787		0	0
Children's & Safeguarding	11,075		11,075	11,075		0	0
Director	257		257	257		0	0
Education	5,973		5,973	5,973		0	0
Communities	8,999		8,999	8,999		0	0
<b>Total People and Communities</b>	<b>84,815</b>		<b>84,815</b>	<b>84,815</b>		<b>0</b>	<b>0</b>

Budget pressures and mitigating savings will be fully quantified and reported in the May budgetary control summary. MTFs savings are on track to be delivered. Work continues to identify further in year savings to mitigate emerging pressures.

The following risks have been identified in People and Communities, and work is ongoing to mitigate the financial impact if these risks materialise on the 2018/19 budget position:

### **Adult Social Care**

A year round pressure exists on Independent Sector Placements as a result of Delayed Transfer of Care (DToC) from Hospitals. At present early indications show that this pressure could rise to £1m in 2018/19

### **Homelessness**

The homelessness forecast is based on a number of assumptions as follows: -

- i The number of families presenting as Homeless.
- ii Preventative work.
- iii The profile of new units coming on stream.
- iv Staffing of Housing Needs team including the restructure.

It is currently indicated that there could be an in year underspend of £0.150m, if current assumptions (above) are realised. However a financial risk exists if any of these are not realised.

### **Looked After Children (LAC)**

Within this area the Council is estimating a pressure of around £1.5-£2m in 2018/19. This is thought to be a short term pressure, which the Council will look to fully mitigate within 18 months. Work is being done to confirm a more accurate analysis of the estimated pressure in regarding rising LAC numbers and the Placement mix. A further update report will be presented to CMT and Cabinet in the near future.

### **Home to School Transport**

A reliable forecast cannot be produced until all School places have been allocated and then transport has been put in place. Work is underway to determine the impact of Homelessness on Home to School Transport costs.

### Clare Lodge

There is a significant risk around achieving the additional £0.250m net income. Negotiation is taking place between the Department for Education and the Department of Health regarding funding of the Mental Health elements for the new High Dependency Unit.

### Recruitment and Retention of Social Workers

A financial risk exists where Agency Social workers are used to cover substantive Social Worker posts in both Adult and Children Social Care (CSC). There is a budget of £0.355m in CSC to cover the Agency Premium.

### Public Health

	Budget 2018/19	Cont. from reserve	Revised Budget 2018/19	Forecast Spend 2018/19	Cont. to reserve	Forecast Variance 2018/19	Forecast Variance 2018/19
Budget Group	£000	£000	£000	£000	£000	£000	%
Children 0-5 Health Visitors	2,769	198	2,967	2,967		0	0
Children 5-19 Health Programmes	1,849	0	1,849	1,849		0	0
Sexual Health	1,831	0	1,831	1,831		0	0
Substance Misuse	2,299	0	2,299	2,299		0	0
Smoking and Tobacco	315	0	315	315		0	0
Miscellaneous Public Health Services	1717	0	1717	1717		0	0
Public Health Grant	-10,905	0	-10,905	-10,905		0	0
<b>Total Public Health</b>	<b>-125</b>	<b>198</b>	<b>73</b>	<b>73</b>		<b>0</b>	<b>0</b>

Public Health savings are on track to be delivered.

## Resources

Budget Group	Budget 2018/19	Cont. from reserve	Revised Budget 2018/19	Forecast Spend 2018/19	Cont. to reserve	Forecast Variance 2018/19	Forecast Variance 2018/19
	£000	£000	£000	£000	£000	£000	%
Director's Office	112	0	112	112	0	0	0
Financial Services	3,299	0	3,299	3,299	0	0	0
Programme Management Office	139	0	139	139	0	0	0
Capital Financing and Capital Receipts	18,321	0	18,321	18,321	0	0	0
Corporate Items	4,763	0	4,763	4,763	0	0	0
Peterborough Serco Strategic Partnership	5,681	0	5,681	5,681	0	0	0
ICT	5,083	0	5,083	5,083	0	0	0
Energy	780	0	780	780	0	0	0
Cemeteries, Cremation & Registrars	-1,390	0	-1,390	-1,390	0	0	0
<b>Total Resources</b>	<b>36,788</b>	<b>0</b>	<b>36,788</b>	<b>36,788</b>	<b>0</b>	<b>0</b>	<b>0</b>

There are currently no variances being forecast in the Resources department. However a number of savings proposals were agreed in the 2018/19 budget which have not yet been secured. These relate to planned reductions in Council-wide spending, so individual service areas will have budgets reduced once it is ascertained how these savings will be delivered. There remains a risk as to whether spending will reduce in line with these proposals in the following areas:

- £1m Serco variable spend reduction
- £0.100m Business support saving

### Shared service savings:

- £0.055m Terms and conditions changes - no terms and conditions changes have yet been proposed, meaning this saving is currently un-met.
- £0.100m Back office savings - the budget included £0.400m of savings in financial services and £0.100m in other back office functions - this £0.100m has yet to be secured.
- Detailed plans for changes in operational activity in specific services are needed before the delivery of these savings can be assured.

There is a Full review taking place of ICT budgets given the joint work that is being undertaken with Cambridgeshire County Council on the client side. This includes re-evaluation of Digital Roadmap programme and the Council's Front Door approach.

### Capital Financing and Capital Receipts

It is recognised from past experience that the current capital programme of £185m is aspirational in terms of the timing of delivery of schemes. As a result of historical analysis the financing budget required to fund the capital programme will be based on a working assumption of smoothing the capital programme to be £100m per year for the next three years. This revised position for the Capital Programme will be reported in due course following the agreement of a revised prioritisation of the timing of schemes.

**Financing**

The following table show how the Council's expenditure is funded via council tax, business rates, non-specific grants and use of reserves.

<b>Budget Group</b>	<b>Budget 2018/19 £000</b>	<b>Cont. from reserves £000</b>	<b>Revised Budget 2018/19 £000</b>	<b>Forecast Spend 2018/19 £000</b>	<b>Cont. to reserves £000</b>	<b>Forecast Variance 2018/19 £000</b>	<b>Forecast Variance 2018/19 %</b>
Council Tax	(68,110)		(68,110)	(68,110)		0	0.00%
Council Tax - Adult Social Care precept	(5,328)		(5,328)	(5,328)		0	0.00%
NDR Income	(45,465)		(45,465)	(45,465)		0	0.00%
NDR Levy	216		216	216		0	0.00%
NDR S31 grants	(3,128)		(3,128)	(3,128)		0	0.00%
NDR Tarriff	2,370		2,370	2,370		0	0.00%
Revenue Support Grant	(15,056)		(15,056)	(15,056)		0	0.00%
Parish Precept	(586)		(586)	(586)		0	0.00%
New Homes Bonus	(5,152)		(5,152)	(5,152)		0	0.00%
Section 31 Grant	(5,742)		(5,742)	(5,742)		0	0.00%
Contribution from/to Grant Equalisation Reserve	(4,231)		(4,231)	(4,231)		0	0.00%
Contribution from/to Reserves	0	(198)	(198)	(198)		0	0.00%
Contribution to Capacity Reserve ( bottom line underspend)	0		0	0		0	0.00%
Collection Fund - Council Tax	(1,188)		(1,188)	(1,188)		0	0.00%
Collection Fund - NDR	(287)		(287)	(287)		0	0.00%
<b>Total Financing</b>	<b>(151,687)</b>	<b>(198)</b>	<b>(151,885)</b>	<b>(151,885)</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>