

Appendix A – 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	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Chief Executive	241	0	241	241	0	0	0%	0	0
HR	1,344	55	1,399	1,375	0	(24)	-2%	0	(24)
Total Chief Executives	1,585	55	1,640	1,616	0	(24)	-1%	0	(24)

The Chief Executive's department is reporting a small staffing related underspend of £0.024m

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	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director of Governance	361	0	361	333	0	(28)	-8%	(29)	1
Legal Services	1,590	18	1,608	1,736	0	128	8%	(2)	130
Constitutional Services	2,053	0	2,053	2,050	0	(3)	0%	(45)	42
Performance & Information	176	57	233	228	0	(5)	-2%	(5)	0
Coroners Service	480	0	480	642	0	162	34%	10	152
Total Governance	4,660	75	4,735	4,989	0	254	5%	(71)	325

Currently the Governance department is forecasting £0.254m overspend.

Coroner Service

There is a forecast pressure of £0.162m within this area. The final 2017/18 costs were greater than expected and not fully recognised in that financial year. The forecast overspend in 2018/19 is due to backlog of referrals, and budget pressures from additional staff hired. The Council is awaiting further detail from Cambridgeshire County Council on overspend and will be reported in due course.

Legal Services

There is a forecast overspend of £0.128m within the legal team largely due to staffing costs as a result of increase workloads relating to Child Protection, General Data Protection Regulation (GDPR) and a compensation payment.

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	Previous Month Variance	Movem ent
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Development and Construction	180	0	180	232	0	52	29%	0	52
Director, OP & JV	(65)	0	(65)	(27)	0	38	-58%	0	38
Peterborough Highway Services	9,147	0	9,147	9,167	0	20	0%	150	(130)
Sustainable Growth Strategy	1,463	194	1,657	1,571	0	(86)	-5%	0	(86)
Waste, Cleansing and Open Spaces	12,266	0	12,266	12,236	0	(30)	0%	(249)	219
Westcombe Engineering	91	0	91	91	0	0	0%	0	0
Corporate Property	1,505	152	1,657	1,994	0	337	20%	0	337
Resilience & Health & Safety	249	0	249	208	0	(41)	-16%	(45)	4
City Centre Management	318	0	318	554	0	236	74%	236	0
Marketing & Communications	253	0	253	295	0	42	17%	42	0
Parking Services	(2,405)	0	(2,405)	(2,029)	0	376	-16%	427	(51)
Regulatory Services	671	20	691	708	0	17	2%	(12)	29
Service Director Environment & Economy	153	0	153	197	0	44	29%	0	44
Total Growth and Regeneration	23,826	366	24,192	25,197	0	1,005	4%	549	456

Currently the Growth and Regeneration department is forecasting £1.005m overspend.

Peterborough Highway Services

Street lighting energy costs are budgeted to reduce as the Street Lighting LED Programme replaces the old lighting with more energy efficient units. However, the savings are taking longer to deliver than originally envisaged, and combined with energy price increases, this is leading to a forecast overspend of £0.148m. However, this is offset by various small savings which have been identified, including Concessionary fares £0.054m and Highways Development Team net income £0.089m.

Waste, Cleansing and Open Spaces

Income from electricity sales at the Energy from Waste facility is currently higher than budgeted, leading to a favourable forecast of £0.343m. 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. Final earnings for 2017/18 income at the Energy from Waste plant have also now been confirmed and this was higher than expected by £0.177m

The new Household Recycling Centre is due to open early 2019, therefore the budgeted investment is not fully required in 2018/19 saving £0.120m. However, at the Materials Recycling Facility fees for legal advice and support for resolving contract issues, together with claims for waste contamination and increased fees are expected to cost an additional £0.350m creating a pressure.

The financial negotiations with Amey have now concluded regarding the costs of extending the contract to 1 February 2019. The additional estimated costs to the 1 February is £0.810m, resulting in a forecast overspend on the budget. The Council also expects to receive a pension rebate due to lower contribution rates from the Amey contract. This is due to lower contribution rates payable when comparing the contract and actuarial review which results in a £0.550m favourable position.

Corporate Property

Sand Martin House income is forecast to be lower than originally anticipated. This is due to the nature of the listed buildings and the works required, commercial unit income and office sub-let income having been delayed or reduced, resulting in at £0.337m forecast overspend.

City Centre Management

The level of income from Market stalls and the pedestrian area will be £0.151m lower than budgeted as, although this brings a net income to the council, the target for this is currently unachievable. A promotional discount to bring in new stall-holders has resulted in five new traders, and the generation of income will continue to be closely monitored throughout the year.

Parking Services

At present the forecast income is £0.296m lower than the budget for off street car parking, including staff car parking. This is based on a reduction in current parking volumes.

There is also a forecast pressure relating to the costs of National Non-Domestic Rates (Business Rates) security, cleaning and Ringo (debit/credit card charges), which totals £0.080m.

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	Previous Month Variance	Move ment
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Adults	44,701	0	44,701	44,051	0	(650)	-1%	(675)	25
Commissioning & Commercial Operations	13,896	250	14,146	18,723	0	4,577	32%	4,575	2
Children's & Safeguarding	10,864	0	10,864	10,867	0	3	0%	(6)	9
Director	309	0	309	318	0	9	3%	0	9
Education	5,697	0	5,697	5,753	0	56	1%	(5)	61
Communities	8,746	0	8,746	8,909	0	163	2%	235	(72)
DSG	262	0	262	167	0	(95)	-36%	(65)	(30)
Total People and Communities	84,475	250	84,725	88,788	0	4,063	5%	4,059	4

Further Breakdown in to the key service areas:

	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	Previous Month Variance	Movemen t
	£000	£000	£000	£000	£000	£000	%	£000	£000
Adults:									
ISP	32,067	0	32,067	32,817	0	750	2%	0	750
ASC Teams	7,359	0	7,359	7,257	0	(102)	-1%	(21)	(81)
Block Contracts	6,352	0	6,352	6,260	0	(92)	-1%	(12)	(80)
Financing	(2,565)	0	(2,565)	(3,766)	0	(1,201)	47%	(637)	(564)
Home Service Delivery Model	1,488	0	1,488	1,483	0	(5)	0%	(5)	0
Total Adults	44,701	0	44,701	44,051	0	(650)	-1%	(675)	25
Commissioning & Commercial Operations:									
Permanency Service	12,523	0	12,523	17,060	0	4,537	36%	4,537	0
Clare Lodge	(1,170)	250	(920)	(920)	0	0	0%	0	0
Commissioning & Commercial Operations - Other	2,543	0	2,543	2,583	0	40	2%	38	2
Total Commissioning & Commercial Operations	13,896	250	14,146	18,723	0	4,577	32%	4,575	2
Childrens & Safeguarding:									
Children's Social Care	6,787	0	6,787	6,791	0	4	0%	(5)	9
Childrens - Other	4,077	0	4,077	4,076	0	(1)	0%	(1)	0
Total Childrens & Safeguarding	10,864	0	10,864	10,867	0	3	0%	(6)	9
Director:									
Director	2,142	0	2,142	2,151	0	9	0%	0	9
Department Savings target	(1,833)	0	(1,833)	(1,833)	0	0	0%	0	0
Total Director	309	0	309	318	0	9	3%	0	9
Education:									
HTS & CSC Transport	4,001	0	4,001	4,015	0	14	0%	0	14
School Improvement Traded Service	(937)	0	(937)	(937)	0	0	0%	0	0
Education - Other	2,633	0	2,633	2,675	0	42	2%	(5)	47
Total Education	5,697	0	5,697	5,753	0	56	1%	(5)	61
Communities:									
Housing	2,392	0	2,392	2,465	0	73	3%	66	7
Cultural Services	2,371	0	2,371	2,557	0	186	8%	250	(64)
Targeted Youth Support Service (TYSS)	1,586	0	1,586	1,486	0	(100)	-6%	(80)	(20)
Prevention Enforcement Service (PES)	553	0	553	489	0	(64)	-12%	(85)	21
Communities - Other	1,844	0	1,844	1,912	0	68	4%	84	(16)
Total Communities	8,746	0	8,746	8,909	0	163	2%	235	(72)
DSG	262	0	262	167	0	(95)	-36%	(65)	(30)
Total People and Communities	84,475	250	84,725	88,788	0	4,063	5%	4,059	4

Adults- ISP

A pressure of £0.750m is reported in relation to Adults Placement costs. This relates to residential nursing packages (£0.651m adverse to date) and Transforming Care (0.151k adverse to date). Additional Client and Health Income is partially offsetting this pressure.

Adults- ASC Teams

Overall there is a £0.102m forecast underspend on all operational teams. Within this there is a pressure on 0-25 team and agency usage £0.132m which is currently being offset by vacancies and underspends on staffing, running costs and some additional income.

Adults- Block Contracts

There is currently a favourable variance in respect of the recovery of an £0.080m overpayment to an Extra Care provider. An overall underspend of £0.012m is forecast due to one off Direct Payments to Carers. Carer support is predominantly covered in ISP with services such as carers sitting services and respite.

Adults- Finance

Projects have been delayed to mitigate overspends in other People and Communities budgets. This action was implemented earlier in the year and has been increased to cover further emerging pressures.

Adults- Home Services Delivery Model

There is a £0.017m underspend on vacant posts and £0.013m overspend on commissioned surveyor work.

Commissioning- Permanency Service (TACT)

The Council is forecasting to overspend by £4.537m within this area. This is the result of recently agreeing to pay TACT an additional £0.637m in relation to the financial year 2017/18 and £3.9m in relation to financial year 2018/19. An upwards trend in the number of children coming into care, and the mix of placement types used, is feeding into the forecast overspend position. Although TACT are using their specialist expertise to recruit foster parents and adoption placements, progress towards achieving a balanced placement mix is in transition meaning there are still a number of placements with high associated costs.

Clare Lodge

A reserve contribution of £0.250m has been agreed which offsets the forecast overspend arising from the delayed opening of the new High Dependency Unit. A risk exists around Occupancy levels (income) and the use of Agency staff related costs.

Commissioning and Commercial Operations- Other

A £0.044m forecast overspend is reported against Play Centres, which is the result of a delay in the Community Asset Transfers.

Children's Social Care

An underspend of £0.003m is forecast against Children's Social Care staffing. A risk exists around the use of Agency staff to cover substantive posts.

Director

It is assumed that all Department Savings targets will be achieved or will be offset by funnel savings. There is a pressure of £0.008m due to staff regrading.

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

An adverse variance of £0.014m is reported with regard to Passenger Transport Team staffing budget. It isn't possible to accurately forecast Home to School transport outturn until all contracts are in place for the new Academic Year.

Education- Other

An adverse variance of £0.054m is reported in relation to the underachievement of income on School Academy conversions. This income target was introduced as a result of charging schools to recover a proportion of the cost the local authority incurred to administer the conversion. However as the pace of schools converting has reduced against previous estimates this target is unlikely to be achieved. A reduction in business rates was also built in to the budget as a result of the relief academies receive for holding charitable status. As outlined in the funding section, NNDR (business rates) are showing a favourable position.

Communities- Housing

Housing is forecast to overspend by a total of £0.073m. Temporary Accommodation costs are forecast to overspend by £0.195m. This is offset by a projected underspend on staffing of £0.126m.

Communities- Cultural Services

Cultural Services is forecast to overspend by £0.186m. This represents the non-achievement of the £0.250m 2017/18 and 2018/19 MTFS savings, offset by other savings of £0.064m.

Communities- Targeted Youth Support Service (TYSS)

The TYSS is forecast to underspend by £0.100m, this relates to holding staff vacancies pending new service implementation. This comprises a forecast underspend of £0.134m on employee costs, offset by other pressures of £0.034m.

Communities- Prevention Enforcement Service (PES)

The PES is forecast to underspend by £0.064m. This comprises a £0.090m forecast underspend on staffing and an underspend of £0.019m against non-staffing budgets. There is also an under recovery of £0.045m in relation to income from PCN's, FPN's & CCTV.

Communities – Other

There is a forecast overspend of £0.068m. This comprises a £0.152m adverse variance against non-staffing budgets offset by a £0.084m underspend on staffing.

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	Previous Month Variance	Movem ent
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Children 0-5 Health Visitors	3,718	198	3,916	3,916	0	0	0%	0	0
Children 5-19 Health Programmes	879	0	879	879	0	0	0%	0	0
Sexual Health	1,830	0	1,830	1,830	0	0	0%	0	0
Substance Misuse	2,299	0	2,299	2,299	0	0	0%	0	0
Smoking and Tobacco	317	0	317	317	0	0	0%	0	0
Miscellaneous Public Health Services	1,661	0	1,661	1,661	0	0	0%	0	0
Public Health Grant	(10,905)	0	(10,905)	(10,905)	0	0	0%	0	0
Children 5-19 Healthy Schools Programme	65	0	65	65	0	0	0%	0	0
Healthy Peterborough	10	0	10	10	0	0	0%	0	0
Total Public Health	(126)	198	72	72	0	0	0%	0	0

Public Health savings are on track to be delivered

Resources

	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	Previous Month Variance	Movem ent
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director's Office	112	0	112	43	0	(69)	-62%	(4)	(65)
Financial Services	3,284	0	3,284	3,328	0	44	1%	(12)	56
Programme Management Office	139	0	139	124	0	(15)	-11%	0	(15)
Capital Financing	18,321	0	18,321	16,485	0	(1,836)	-10%	(371)	(1,465)
Corporate Items	4,955	0	4,955	4,919	0	(36)	-1%	0	(36)
Peterborough Serco Strategic Partnership	5,765	0	5,765	7,870	0	2,105	37%	195	1,910
ICT	5,302	0	5,302	5,870	0	568	11%	568	0
Energy	780	0	780	780	0	0	0%	0	0
Cemeteries, Cremation & Registrars	(1,390)	0	(1,390)	(1,418)	0	(28)	2%	(9)	(19)
Total Resources	37,268	0	37,268	38,001	0	733	2%	367	366

Capital Financing and Capital Receipts

Overall the Capital Financing budget is forecasting an underspend of £1.8m as a result of the decision to apply additional capital receipts to offset the MRP in the 2018/19 financial year. The re-profiling of schemes, delays in the timing of capital expenditure and interest rates remaining lower than forecast in the MTFS for the beginning of the year, all contribute to the cost of new borrowing being forecast

lower than originally budgeted. The Capital Financing forecast outturn has been based on raising new loans of £112m to fund capital expenditure, this is based on the capital programme as at the end of July. As outlined in Tranche 1, it is expected for this requirement to reduce in future months due to re-profiling of the capital programme to a more deliverable level of £100m, however exact details are still to be confirmed and work continues on this re-profiling.

Peterborough Serco Strategic Partnership (PSSP)

There is a £0.850m pressure due to the Annual Delivery Plan (ADP) and business transformation (strategic improvement core cost). All items on the ADP should be linked to funding streams as core funding was reduced to nil in last year's budget. This figure will reduce once these allocations are delivered. The following savings that were included in the 2018/19 MTFS, are currently not on track to be achieved.

- The £1m Serco variable spend saving. IT consumable and machine spend has been reduced from previous year's spend via a gatekeeping process but appropriate budgets to allocate these savings against are still being identified.
- The Serco Business support saving of £0.100m.

This is being reviewed to assess the future years MTFS implications. There is also a £0.155m pressure forecast in relation to the PSSP contract inflation budget being different to the assumption applied in the MTFS.

ICT

Savings that were expected to be generated through the implementation of a technology platform across Social Care (PeopleToo) is not now expected to be achieved as planned, creating a £0.137m pressure. The budgeted return on loans to partners to deliver this project has also not materialised as planned creating a £0.131m pressure through loss of interest receipt.

Savings targets in relation to Digital Roadmap project, including guaranteed resale income and also savings through decommissioning ICT Legacy systems and departmental efficiencies are not expected to be fully achieved, causing a £0.300m pressure.

Financing

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

Budget Group	Budget 2018/19 £000	Cont. from reserves £000	Revised Budget 2018/19 £000	Forecast Spend 2018/19 £000	Cont. to reserves £000	Forecast Variance 2018/19 £000	Forecast Variance 2018/19 %	Previous Month Variance £000	Movement £000
Council Tax	(68,110)	0	(68,110)	(68,110)	0	0	0.00%	0	0
Council Tax - Adult Social Care precept	(5,328)	0	(5,328)	(5,328)	0	0	0.00%	0	0
NNDR Income	(45,465)	0	(45,465)	(45,514)	0	(49)	0.11%	0	(49)
NNDR Levy	216	0	216	216	0	0	0.00%	0	0
NNDR S31 grants	(3,128)	0	(3,128)	(3,128)	0	0	0.00%	0	0
NNDR Tarriff	2,370	0	2,370	2,370	0	0	0.00%	0	0
Revenue Support Grant	(15,056)	0	(15,056)	(15,056)	0	0	0.00%	0	0
Parish Precept	(586)	0	(586)	(586)	0	0	0.00%	0	0
New Homes Bonus	(5,152)	0	(5,152)	(5,152)	0	0	0.00%	0	0
Section 31 Grant	(5,742)	0	(5,742)	(5,742)	0	0	0.00%	0	0
Contribution from/to Grant Equalisation Reserve	(4,231)	0	(4,231)	(4,231)	0	0	0.00%	0	0
Contribution from/to Reserves	0	(945)	(945)	(945)	0	0	0.00%	0	0
Contribution to Capacity Reserve	0	0	0	0	0	0	0.00%	0	0
Collection Fund - Council Tax	(1,188)	0	(1,188)	(1,188)	0	0	0.00%	0	0
Collection Fund - NDR	(287)	0	(287)	(287)	0	0	0.00%	0	0
Total Financing	(151,687)	(945)	(152,632)	(152,681)	0	(49)	0	0	(49)

The following graph outlines the change in the Rateable Value of the properties and the key changes to the properties:

